

# **Anchorage Senior Activity Center**

## **Policy & Procedure for Accepting Gifts**

### ***Purpose:***

This policy provides guidance to the administration, staff, volunteers, and donors of the Anchorage Senior Activity Center for the solicitation and acceptance of gifts of property, services or currency. Current and deferred gifts may be solicited from individuals, corporations, foundations and others for purposes that further and fulfill ASAC's mission.

The provisions of this policy shall apply to all gifts received by ASAC. The Board of Directors reserves the right to revise, revoke or make exceptions to the policy at any time.

### ***Authority to Approve:***

All gifts must be approved before acceptance. All gifts, other than items donated to the gift shop for resale, must first be submitted to the General Manager for approval. (Items donated to the Gift Shop for resale are subject to a separate donation policy and procedure.) Approval of all other gifts is as set forth in the Specific Gifts Categories section of this policy.

ASAC may consult legal counsel as deemed appropriate by the Board and especially for gifts in the following categories:

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements,
2. Documents naming ASAC as trustee,
3. Gifts involving contracts such as bargain sales, partnership agreements, or other documents which may require ASAC to assume an obligation,
4. Transactions with a potential conflict of interest,
5. Gifts of real estate,
6. Pledge agreements,
7. Any gift with restrictions, and
8. Other circumstances where use of counsel is deemed appropriate by the Board

Prospective donors will be encouraged to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

### ***Specific Gift Categories:***

ASAC shall not accept gifts that:

1. Violate the terms of the ASAC policies,
2. If the marketable securities are restricted by applicable securities laws, the Board shall make the final determination as to the acceptance of the restricted securities.
3. Jeopardize ASAC's status as an exempt organization under federal or state law;
4. May be too difficult or expensive to administer
5. Do not further ASAC mission or objectives,
6. *Could damage the reputation of ASAC*

The General Manager may accept unrestricted cash gifts not to exceed \$25,000 cash without prior approval of the Board of Directors provided that the identity of the donor has been vetted with respect to any reputational or policy issues and the gift complies with all other policy considerations.

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All gifts, other than unrestricted cash gifts not exceeding \$25,000 cash, must be approved by the Board prior to acceptance. However, the Board may authorize certain *de minimis* gifts or categories of gifts that may be accepted without its final approval.

### Tangible Personal Property:

The Board shall decide whether to accept gifts of tangible personal property by considering the following factors:

1. Whether the property furthers the mission of ASAC,
2. The marketability of the property:
  - a. Any restrictions on the use, display, or sale of the property, and
  - b. Carrying costs and possible liability for the property.

### Marketable Securities:

1. Unrestricted marketable securities may be transferred to an account maintained by ASAC at one or more brokerage firms or delivered physically with the transferor's signature or stock power. All marketable securities shall normally be sold as soon as practical following receipt unless otherwise directed by the Board of Directors.
2. If the marketable securities are restricted by applicable security laws, the Board shall make the final determination as to the acceptance of the restricted securities.

### Closely-Held Securities:

Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, may be accepted subject to the approval of the Board. The Board shall review and decide whether to accept closely-held securities based on the following factors:

1. Restrictions on the security that would prevent ASAC from ultimately converting the securities to cash,
2. The marketability of the securities, and
3. Any undesirable consequences for ASAC which might result from accepting the securities.

If potential problems arise on initial review of the securities, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely-held securities shall be made by the ASAC Board with advice of legal counsel when deemed necessary. Non-marketable securities, if accepted, shall be disposed of as quickly as possible.

### *Bequests:*

Donors may make bequests to ASAC under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with Generally Accepted Accounting Procedures.

### *Charitable Remainder Trusts:*

ASAC may accept designations as remainder beneficiary of a charitable remainder trust. ASAC shall not accept appointment as trustee of a charitable remainder trust.

### *Charitable Lead Trust:*

ASAC may accept designations as income beneficiary of a charitable lead trust. ASAC may not accept an appointment as trustee of a Charitable Lead Trust.

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### *Retirement Plan Beneficiary Designations:*

ASAC may accept designations as beneficiary of donor's retirement plans. Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with Generally Accepted Accounting Procedures.

### *Life Insurance:*

ASAC may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once ASAC is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules. If the donor contributes future premium payments, ASAC will include the entire amount of the additional premium payments 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, ASAC may:

1. Continue to pay the premiums,
2. Convert the policy to paid up insurance, or
3. Surrender the policy for its current cash value of their life insurance policy.

Designations will not be recorded as gifts until the gift is irrevocable. Where the gift is irrevocable, the gift shall be recorded in accordance with Generally Accepted Accounting Procedures.

### Real Estate:

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest.

1. *Environmental Review.* Prior to acceptance of real estate, ASAC shall require an initial environmental review of the property to ensure that the property has no negative environmental issues. If the initial inspection reveals a potential problem, ASAC shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor.
2. *Title Binder.* A title binder shall be obtained by ASAC prior to the acceptance of the real property gift when appropriate. The cost of this title binder shall be an expense of the donor.
3. Factors for acceptance: The Board and legal counsel shall review and decide whether to accept real property based on the following factors:
  - a. Whether the property is useful for the purposes of ASAC,
  - b. The marketability of the property,
  - c. Any encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property,
  - d. Any carrying costs associated with the property, including insurance, property taxes, mortgages, notes or other costs,
  - e. Any concerns revealed by the environmental audit.
4. *Remainder Interests in Property:*

ASAC will accept a remainder interest in a personal residence, farm, or vacation property subject to Board and legal review. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the life tenant(s), the ASAC may use the property or reduce it to cash. Expenses for maintenance, real estate taxes, and any property indebtedness shall be paid by the donor or primary beneficiary.

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### Restricted Gifts:

A gift with restrictions will be accepted only if the restrictions are expressly approved by the Board and a gift agreement has been executed.

### Named Funds:

A donor, or group of donors, may contribute and name a fund and restrict the use of the income or principal of the fund. Named funds require a minimum contribution of \$50,000 and may not be accepted prior to final approval by the Board.

Payments for named funds must be completed within five years of the initial gift agreement date. If a named fund does not reach the funding level within the stated five-year period, the donor (or designated representative) will be consulted to determine the appropriate course of action which may include a pledge extension or the transfer of the donated funds as a restricted donation to ASAC.

### ***Acceptance provisions***

#### 1. *Gift Agreements:*

ASAC shall enter into a written restricted gift agreement with the donor specifying the terms of the restricted gift, which may include provisions regarding donor recognition.

#### 2. *Pledge Agreements:*

Acceptance by ASAC of pledges by donors of future support (including by way of matching gift commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge including any provisions regarding donor recognition. Challenge grants from private foundations will be exempted from this provision.

#### 3. *Fees:*

ASAC shall not accept a gift unless the donor is responsible for

- a. Fees of independent legal counsel retained by donor for completing the gift,
- b. Appraisal fees,
- c. Environmental audits and title binders (in the case of real property), and
- d. All other third-party fees associated with the transfer of the gift to ASAC.

#### 4. *Valuation of Gifts:*

ASAC shall record gifts received at their valuation on the date of gift, except that, when a gift is irrevocable but not due until a future date, the gift may be recorded at the time the gift becomes irrevocable in accordance with GAAP.

#### 5. *IRS Filings upon Sale of Gifts:*

To the extent applicable, the Board shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by ASAC.

"Charitable deduction property" means any donated property (other than money and publicly traded securities) if the value claimed by the donor exceeds \$5,000 per item or group of similar items (e.g., the property listed in Section B on Form 8283). ASAC shall file this form within 125 days of the date of sale or disposition of the asset.

#### 6. *Written Acknowledgement:*

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ASAC Board shall provide written acknowledgement of all gifts made to ASAC and comply with the current IRS requirements in acknowledgement of the gifts.

### ***Changes to or Deviations from the Policy:***

The ASAC Board has the sole power to change this Policy. In addition, exercise of any discretion or deviation from the written policy must be signed by the President of the Board.

### ***Donor Naming Opportunities***

Naming gift opportunities at Anchorage Senior Activity Center shall be in accordance with the Naming Opportunities Policy and Procedures

**Association of Fundraising Professionals' Bill of Rights** is incorporated as a part of this policy. Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, ASAC declares that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent audited financial and/or the annual income and expense budget.
4. To be assured their gifts will be used for the purposes for which they are given.
5. To receive appropriate acknowledgement and recognition. The donor may remain anonymous donor, if requested or desired.
6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation to receive prompt, truthful and forthright answers.

Adopted by the Board of Directors on the 11<sup>th</sup> of March, 2015

***/S/*** Karen Hunt, President

***/S/*** Theresa Hoffmann, Secretary