

## Gift Acceptance Policy

Policy Number:

Owner Department: Development Department

Effective Date: September 1, 2013

Approved By: President's Council

### **I. POLICY STATEMENT/PURPOSE**

This policy is created to clarify what constitutes an acceptable gift to SCNM, provide guidance in accepting gifts, govern the types and forms of gifts that may require review prior to acceptance and protect SCNM from unnecessary liability or expense.

### **II. POLICY STATUS**

New

### **III. DEFINITION(S)**

"Board" refers to the Board of Trustees of the Southwest College of Naturopathic Medicine and Health Sciences.

"Donation" is defined as a voluntary gift (of money, products, specialized services, etc.) given to SCNM in a charitable manner. A "nonprofit discount" or "buy three, get one free" type deal does not qualify as a donation.

"Cash" is in reference to: currency in the form of cash, check, credit card, and online transfer (PayPal).

"In-kind" refers to tangible property such as: pieces of art, vehicles, equipment, clothing, toys, gift cards, etc.

"Specialized Services" refer to donated services that would typically need to be purchased if not provided by donation. (Examples: services provided by accountants, architects, carpenters, electricians, etc.)

"Real estate" refers to land and usually buildings affixed to the land, etc.

"Gifts of securities" are publicly-traded securities, shares of stock in closely-held companies (not publicly traded), bonds and government issues.

"Other personal property" refers to intellectual property, mortgages, easements, notes, copyrights, royalties, etc.

"Alternative investments" are those such as partnership interests, private equity fund, commodity pools, etc.

"Closely held securities" are securities that are not broadly or publicly traded and include debt and equity issues.

"Life insurance" includes: Whole, variable, and universal life policies.

"Endowments" refers to the grant of cash and/or property providing continuing support to SCNM.

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"Pledges" are signed commitments from donors to make a specific contribution according to a fixed schedule over a specific amount of time.

"Restricted" donations are gifts that possess restrictions from the donor on how SCNM will use the donation(s).

"Unrestricted" donations are gifts that do not possess restrictions from the donor on how SCNM uses the donation(s).

"Bequest" refers to a deferred gift whereby cash or personal property is left to SCNM in a will or living trust.

### **IV. SCOPE/KEY STAKEHOLDERS**

This policy applies to all SCNM Employees, students and volunteers who may assist with donation solicitation. All solicitors are required to consult with Development Department staff regarding gift solicitation and acceptance procedures.

### **V. POLICY ITEMS**

#### **A. Gift types that may be accepted:**

##### **i. Cash Gifts**

- a. This type includes cash, check and credit card donations.
- b. The "gift receipt" date is recorded as :
  - i. The date a gift is hand-delivered to SCNM;
  - ii. The postmark date when received by mail. Year-end gifts qualify for calendar year tax deduction if postmarked by December 31.
- c. Foreign currency will be valued at the exchange rate in effect on the day the gift is received.

##### **ii. Gifts of Publicly Traded Securities**

- a. Securities may be transferred to a brokerage house account maintained by SCNM or delivered physically with the transferor's signature.
- b. Marketable securities may be held or sold upon acceptance.
- c. In conformity with IRS guidelines, the value of a gift of stock is the average of the high and low market value of the day it is accepted multiplied by the total shares donated. If the security was not traded on its exchange on that date, the date of the most recent prior sale will be used.
- d. Closely held securities should be examined by the Board to determine value and marketability prior to acceptance. The Board should also examine restrictions and resolutions, and determine if legal counsel is required prior to acceptance.
- e. Gifts of securities may not be accepted if they generate undesirable tax consequences for SCNM.

##### **iii. Gifts in-kind**

- a. Acceptance of gifts in-kind must not incur expenses greater than its value in its present or future state unless the benefit of possessing such a gift outweighs the future costs. Gifts of greater benefit than value must be approved by the Board.
- b. Gifts in-kind may be declined by SCNM if burden is created for one or more employees by the acceptance of the gift.

##### **iv. Real estate**

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- a. Acceptance of real estate is to be determined by the Board to deem if the gift is: useful or beneficial; needed; overly burden-some compared to value; easy to convert to cash or use and not environmentally encumbered.
  - b. Prior to acceptance of any real estate, a thorough environmental review is required.
- v. Other personal property**
- a. Acceptance of large-scale 'other personal property' shall be determined by the Board to deem if gift is: useful or beneficial; needed; overly burden-some compared to value; easy to convert to cash or use.
- vi. Alternative investments**
- a. The Board shall discuss and decide any 'alternative investments,' that may be in the form of a gift or other revenue generating opportunity.
- vii. Endowments**
- a. See the Endowment Policy.
- viii. Bequest**
- a. A gift bequeathed to SCNM in a donor's will is accepted with and without restrictions. If restrictions apply, see "Restricted gifts" in section VI-D of the Gift Acceptance Policy.
- ix. Life insurance**
- a. A life insurance policy is acceptable if:
    - i. SCNM is named the owner and irrevocable beneficiary to 100 percent of the policy.
    - ii. The policy is paid for at gift date, or if the policy is not paid for at gift date, SCNM receives adequate cash gift or written pledge for the remainder of the policy balance from the donor.
    - iii. There is no loan against it, unless reviewed and approved by the Board.

### **B. Gifts that shall not be accepted include:**

- i. Gifts in contravention of applicable Federal, State, or Municipal laws, or Board of Trustees or SCNM policies.
- ii. Gifts not in accordance with the SCNM mission or vision, or that may otherwise pose a liability threat, or may harm the reputation of SCNM.
- iii. Gifts with unacceptable restrictions.
- iv. Gifts that are required to be loaned back to the donor or other conditioned person, unless the gift will benefit SCNM by means of interest/recognition and is approved by the Board.
- v. Gifts that are intended to support a specific student or individual.
- vi. Gifts that are for whatever reason, rejected by the Board.

### **C. Pledges**

- i. In order for pledges to be acceptable, the donor must complete and sign SCNM's "Gift Pledge Agreement" – this then enters the pledge into a "contract stage" until the pledge is completed or fulfilled.
- ii. No form of verbal, gestures, indications, or other non-contracted pledging shall be considered a pledge.
- iii. Pledges shall contain a start and an end date.
- iv. Pledges shall specify payment frequency and amounts.

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- v. If the donor desires the pledge to be restricted, see "Restricted gifts" in section VI-D of the Gift Acceptance Policy.
- vi. As detailed in SCNM's "Gift Pledge Agreement", pledges that are restricted are no longer restricted pledges if the donor abandons any of the above terms for pledges. Funds received when the status was a "restricted pledge" may be revoked and reallocated at the discretion of SCNM due to the fact that the donor abandoned the commitment of the pledge. The pledge status has then changed from "restricted pledge" to "unrestricted pledge."
- vii. "Unrestricted pledges" may change to "restricted pledges" at the request of the donor if:
  - a. It is during the contract stage before any funds have been received from the pledge.
  - b. It is before the expiration of the contract stage, even if some funds of the pledge have been received. Funds received in the status of "unrestricted pledge" prior to the restricted request may be reallocated to the terms of the now "restricted pledge" at the discretion of SCNM.
  - c. It is acceptable according to the "Restricted gifts" sub-policy in section VI-D of the Gift Acceptance Policy.

### **D. Restricted gifts**

- i. Restricted gifts may be rejected by the Board for any reason.
- ii. Restricted gifts may be accepted if:
  - a. The restriction does not violate Federal, State, or Municipal Laws, or SCNM policy.
  - b. The requested restriction is not potentially harmful to any person(s), the mission, vision, core values, or reputation of SCNM.
  - c. Does not required excessive financial obligation or uncommitted resources from SCNM.
  - d. The request promotes SCNM in a positive manner and way.
  - e. The gift has not already been made. (If the gift has already been received by SCNM, it is at the discretion of SCNM to oblige the donor).

### **E. Unrestricted gifts**

- i. Gifts that are unrestricted shall be dispersed, reallocated, used, or otherwise handled at the discretion of SCNM.

### **F. Refunds**

- i. Refunds may be given if the gift was restricted and SCNM was unable to uphold the agreed upon restriction.
- ii. Any other reason for refund is at the discretion of SCNM.

### **G. Acknowledgement**

- i. Every gift received, whether accepted or rejected, must receive a form of acknowledgement according to the Gift Acknowledgement Policy.

## **VI. RESPONSIBILITY FOR IMPLEMENTATION**

The Development Team is responsible for implementation.

## **VII. RELATED POLICIES**

Gift Acknowledgement Policy  
Endowment Policy

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**VIII. RELATED DOCUMENTS**

Gift Acknowledgement Procedures  
Gift Acceptance Procedures  
Gift Administration Procedures  
Gift Pledge Agreement

**IX. NEXT REVIEW DATE**

Annual Review for revisions based upon original approval date.

**X. VERSION CONTROL AND CHANGE HISTORY**

Version Control	Approved By/Date	Date Effective	Amendment
1	President's Council	9.1.2013	
2			

**XI. POLICY AUTHOR/CONTACT**

Development Department