

Gift Acknowledgement Policy

Owner Department: Development Department

Effective Date: 7-23-14

Approved By: President's Council

I. POLICY STATEMENT/PURPOSE

The purpose of this policy is to ensure donors receive timely and meaningful acknowledgements for donated gifts and to provide clarification on who, what, how, and when gifts should be acknowledged. Acknowledgements are an opportunity to thank donors which is essential to donor satisfaction and to building relationships so that they continue to support SCNM and SCNM Sage Foundation.

This policy excludes all planned gifts, endowments and gifts of insurance, securities, and real estate.

II. POLICY STATUS

New.

III. HISTORY/BACKGROUND

This policy is based on best practices established by the National Council of Nonprofits and IRS Publication 1771, Charitable Contributions-Substantiation and Disclosure Requirements, which explains the federal tax laws governing donated gifts and charitable contributions.

IV. 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, 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: Cash, check, credit card, employee payroll deduction and online transfer (PayPal).

"Grant" is defined as a direct assistance award that is usually restricted by a project defined by the grantee and approved by the grantor and based on a competitive process.

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

"Pledges" are written promises from donors to make a specific contribution over a specific amount of time.

"Relationship-Based Employees" are employees who benefit from a specific gift to SCNM that supports the department they work in.

"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).

V. SCOPE/KEY STAKEHOLDERS

This policy applies to all SCNM Development employees, relationship-based employees, students or other stakeholders including the SCNM Board of Trustees who may assist with donated gifts acknowledgements.

VI. POLICY ITEMS

A. Gifts and acknowledgements

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- a. Gifts that have been accepted by SCNM and/or SCNM Sage Foundation according to the "Gift Acceptance Policy" shall be properly acknowledged within 2 business days of receipt and in accordance with the "Gift Processing Flow Chart".
- b. Gifts that have been rejected or denied by SCNM and/or SCNM Sage Foundation according to the "Gift Acceptance Policy" shall be thanked for their desire to contribute to SCNM and/or SCNM Sage Foundation.
- c. Pledge payments shall receive a pledge acknowledgement within 2 business days of receiving the payment.
- d. Matching gifts that are received must be acknowledged and the donor made aware that the process has been completed.
- e. Employees who have donated to SCNM by payroll deductions, or other frequencies, will receive an annual employee acknowledgement letter, a donor database summary which together serve as a tax letter.
- f. Only the Development Department is able to provide official gift acknowledgements for a donor's tax purposes.

B. Tax deductible gifts

- a. IRS regulations require that before a donor may claim a tax deduction, the donor must have a bank record or written communication from the charitable nonprofit to whom the gift is made.
- b. Cash Gifts
 - i. The "gift receipt" date is recorded as:
 1. The date a gift is hand-delivered to SCNM;
 2. The postmark date when received by mail. Year-end gifts qualify for calendar year tax deduction if postmarked by December 31.
 - ii. Foreign currency will be valued at the exchange rate in effect on the day the gift is received.
- c. In-kind gifts are valued by the donor and SCNM recognizes the value based on appropriate documentation.

C. Contents of Gift Acknowledgements-

- a. All SCNM and SCNM Sage Foundation Gift Acknowledgements will contain:
 - i. A statement that SCNM or SCNM Sage Foundation are charities recognized as tax-exempt by the IRS under Section 501 (c)(3).
 - ii. A statement of the tax-exempt number.
 - iii. The amount of donated cash/cash equivalent or a description of gift in kind property donated.
 - iv. The date the donation was received or as recognized by the postmarked envelope.
 - v. A statement of whether SCNM or SCNM Sage Foundation provided any goods or services in return for the donation.
 - vi. If the organization provided more than insubstantial benefit in return for the gift, a good faith estimate of the goods/services provided must be included.
 - vii. The Qualifying Charitable Organization Code (QCO Code) for gifts made to SCNM Sage Foundation

VII. RESPONSIBILITY FOR IMPLEMENTATION

The Development Team is responsible for implementation.

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VIII. RELATED POLICIES (non-mandatory)

Gift Acceptance Policy

IX. RELATED DOCUMENTS

Gift Acceptance Procedures

Gift Pledge Agreement

X. NEXT REVIEW DATE

Annual Review for revisions based upon original approval date.

XI. VERSION CONTROL AND CHANGE HISTORY

Version Control	Approved By/Date	Date Effective	Amendment
1	President's Council/7-23-14	7-23-14	
2		10-28-20	Minor edits

XII. POLICY AUTHOR/CONTACT

Development Department