

GIFT ACKNOWLEDGEMENT POLICY

Policy Number:

Owner Department: Development Department

Effective Date: 7-23-14

Approved By: President's Council

I. POLICY STATEMENT/PURPOSE

This policy is created 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 that are essential to donor satisfaction and to building relationships with them so that they continue to support SCNM.

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.

GIFT ACKNOWLEDGEMENT POLICY

"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

- i. Gifts that have been accepted by SCNM according to the "Gift Acceptance Policy" shall be properly acknowledged within 3 business days of receipt and in accordance with the "Gift Processing Flow Chart". This includes all on-line gifts.
- ii. Gifts that have been rejected or denied by SCNM according to the "Gift Acceptance Policy" shall be thanked for their desire to contribute to SCNM.
- iii. Pledge payments shall receive a pledge acknowledgement within 3 business days of receiving the pledge.
- iv. Matching gifts that are received must be acknowledged and the donor made aware that the process has been completed.
- v. 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 serves as a tax letter.
- vi. Only the Development Department is able to provide official gift acknowledgements for a donor's tax purposes.

B. Tax deductible gifts

- i. 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.
- ii. Cash Gifts
 - a. 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.
 - b. Foreign currency will be valued at the exchange rate in effect on the day the gift is received.
- iii. In-kind gifts of \$5,000 or less are valued by the donor.
- iv. In-kind gifts of more than \$5,000 in the United States must be appraised by a qualified appraiser, paid for by the donor.

C. Contents of Gift Acknowledgements-

- i. All SCNM Gift Acknowledgements will contain:
 - a. A statement that SCNM is a charity recognized as tax-exempt by the IRS under Section 501 (c)(3).
 - b. A statement of the SCNM tax-exempt number.
 - c. The amount of donated cash/cash equivalent or a description of gift in kind property donated to SCNM.
 - d. The date the donation was received or as recognized by the postmarked envelope.

GIFT ACKNOWLEDGEMENT POLICY

- e. A statement of whether SCNM provided any goods or services in return for the donation.
- f. If SCNM provided more than insubstantial benefit in return for the gift, a good faith estimate of the goods/services provided must be included.

VII. RESPONSIBILITY FOR IMPLEMENTATION

The Development Team is responsible for implementation.

VIII. RELATED POLICIES

Gift Acceptance Policy

IX. RELATED DOCUMENTS

Gift Acceptance Procedures

Gift Administration Procedures

Gift Pledge Agreement

Gift Processing Flow Chart

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		
2			

XII. POLICY AUTHOR/CONTACT

Development Department