



# Gift Acceptance Policy

## Purpose

The following Gift Acceptance Policies are intended to guide the fundraising efforts of Marion-Polk Food Share (the Food Share) and to establish basic guidelines for acceptance of charitable contributions.

# Gift Acceptance Policy

## I. General Principles

### General

Marion-Polk Food Share accepts gifts for the purpose of furthering its mission. The Food Share will refuse gifts that are offered for purposes that are inconsistent with this mission. The Food Share shall not accept gifts that would subject the organization to undue risk or loss. The Food Share reserves the right to decline gifts from which it will realize little or no financial gain.

In accepting and structuring gifts, the Food Share will adhere to the principle of achieving a fair and proper balance between the interests of the donor and the mission of the organization. A gift cannot be accepted under conditions that permit the donor to direct the use of the gift for a purpose that directly benefits the donor. A gift will not be urged upon any donor or prospective donor that would benefit the Food Share at the expense of the donor.

The Food Share shall conduct its affairs in a way that is ethical and consistent with its status as a tax-exempt organization as defined by the Internal Revenue Service. The Food Share will not accept any gift that violates Internal Revenue Code requirements or any other federal or state laws.

All records and information concerning donors or prospective donors, whether written, electronic or oral shall be maintained in a manner that ensures its confidentiality. Such information shall only be accessed by staff and Board members when access is appropriate to their job duties or Board responsibilities. Board and staff members with this access shall be informed on the handling and safeguarding of confidential donor information. Donor testimonials or examples shall only be used with the donor's permission.

In order to be sensitive to all community audiences, the Food Share may accept a gift but decline to publicly promote or advertise the donor's support. This primarily pertains to controversial industries. The Food Share also reserves the right to refuse gifts that conflict with its mission, such as organizations that participate in discrimination or hate speech. The Food Share will not accept donations that are known to be from illegal sources. Where federal and state law differ, the Food Share will defer to state law.

| Policy Level | Date Approved | Review Committee | Review Month | Policy Tracker |
|--------------|---------------|------------------|--------------|----------------|
| Board        | 12/06/2018    | Board Finance    | October      | Finance-02     |

### **Food Share Representatives**

Gift acceptance is the final responsibility of the Vice President of Development and the CEO/President. Gift agreements are subject to approval by the Board of Directors when such agreements are outside the scope of the CEO/President's authority as defined by the Board.

Responsibility for day-to-day management of the Development program rests with the Vice President of Development. The Vice President of Development may seek counsel from the CEO/President, Board Members and other experts as needed to make informed decisions on gift acceptance within their authority. If it is questionable whether a gift conforms to these gift acceptance policies, it may be submitted to the Board of Directors for review and recommendation.

All Representatives of the Food Share, including but not limited to Board Members, staff and consultants, shall act in good faith and for the best interest of the Food Share. All employees must adhere to the Food Share's Conflict of Interest Policy as outlined in the employee handbook.

Food Share employees and representatives may not provide financial, tax or legal advice to donors or prospective donors. Donors should always be directed to seek their own independent financial, tax and legal counsel. Development staff may provide donors with non-binding interpretation or information regarding potential financial, tax and legal implications of gifts or proposed gifts, always accompanied by the instruction to seek independent counsel.

## **II. Gift Acceptance Guidelines**

### **Outright Cash Gifts**

Unrestricted outright cash gifts in any amount will be placed in the general fund for current use.

A donor may restrict a gift to an existing specific program or use at the Food Share.

The Food Share Board of Directors reserves the right to redirect a restricted gift for another purpose that is deemed by the Food Share to be consistent with the donor's interests and intentions. Such action will only be taken if, in the judgement of the Food Share, it becomes impractical or impossible to fulfill the original donor-designated purpose of the gift. When redirection of a restricted gift becomes necessary, the Food Share will obtain the donor's permission or, if the donor is determined to be unreachable, will work with the Oregon Attorney General's Office to modify the restriction as outlined in UPMIFA (Uniform Prudent Management of Institutional Funds Act).

### **Bequests Received from Estates and Trusts**

Unless otherwise restricted or directed by the donor, all bequests, from estates or trusts, will be used as determined by the Food Share Board of Directors.

A bequest may consist of cash, securities, real estate or tangible personal property. The liquidation of non-cash bequests will follow the appropriate policies for these items as outlined in this document. Staff and professional advisors (where applicable) will review the marketability, accuracy of appraisal and the capabilities of the Food Share to safeguard all non-cash bequests. In some cases, it may be best for the Food Share to disclaim a bequest. Concerns of liquidity, marketability, holding costs, environmental contamination and liability may be valid reasons for disclaiming in a timely manner an interest in a bequest.

### **Donations of goods, services and personal property**

In-kind gifts consisting of donated goods and services that will be used by the Food Share in its exempt purpose include, but are not limited to, food, food handling and transportation equipment and services, office equipment and printing supplies, donated auction items for fundraisers and professional services. Approval by the Board of Directors is not needed to proceed with such gifts.

Donations of goods or services may be refused at the discretion of the Vice President of Development or his/her designated staff. Acceptance of these gifts will depend upon the type of good or service gifted.

Gifts of tangible personal property include but are not limited to art collections, antiques, jewelry, airplanes, automobiles, boats and other vehicles. Unless the property can be retained by the Food Share to further the work of its mission, gifts of personal property will be converted to cash as soon as possible.

If the property is subject to certain obligations (e.g. collateral for a loan or security interest held by a lien holder) it must be approved by the Board before it is accepted.

Serious valuation challenges exist in some gifts of personal property, especially art or other collectibles. Efforts must be made to obtain a bona fide appraisal or documentation of fair market value before accepting the gift. Valuation and the marketability of property gifts valued by the donor at \$5,000 or more must be reviewed by the Board of Directors on a case-by-case basis. Food Share staff will assess each gift with regard to such issues as transportation, storage, handling costs, damaged goods, etc., before review by the Board. For gifts valued by the donor at less than \$5,000, authority to accept or refuse the gift rests with the CEO/President and the Vice President of Development.

For gifts of donated goods or personal property it is the donor's responsibility to establish a value of the gift and to provide, at the donor's expense, an independent qualified appraisal if required by the IRS. For gifts of services, it is the donor's responsibility to record expenses incurred in the giving of services for their tax purposes.

## **Securities**

Gifts of publicly traded securities, including stocks, mutual funds, municipal and corporate bonds and treasury bills and notes are generally acceptable gifts to the Food Share, including title to securities deemed to be readily transferable. There may be some limitations on the transfer of warrants, stock options and stock appreciation rights that should be reviewed on a case-by-case basis.

All readily marketable securities will be sold immediately upon receipt. Food Share designated staff members are authorized to immediately order the sale. The date of the gift will be the date of the delivery of the stock certificate and signed stock power. If the certificate is mailed, the gift date is the date of the mailing. If the shares are transferred, then the date of the gift is the date the shares are received by a brokerage as the agent of the Food Share. For gift recording purposes, gifts of publicly traded securities or mutual fund shares are valued by determining the mean between the highest and lowest selling prices on the gift date.

Gifts of closely held securities or S corporation stock will be carefully scrutinized by the Food Share staff and its legal and financial advisors before acceptance. Gifts that will not be accepted include: securities that are assessable or in any way could create a liability to the Food Share, securities such as Series E savings bonds which, by their nature, may not be transferred, securities which have no apparent value and limited partnership interests.

It is the donor's responsibility to establish a value of a gift of securities for their tax purposes.

## **Real Estate**

Gifts of real estate, including leasehold interests, may be accepted upon completion of appropriate due diligence and approval of the Board of Directors. Due diligence may include, but is not limited to, a review of the condition of the title, the condition of the property, an environmental inspection, the value of the property, property management issues, and an estimate of escrow closing costs and related professional fees.

After the designated staff and Board members have reviewed and considered the issues noted above, the proposed gift shall be referred to the Board Finance Committee prior to making its recommendation to the Board of Directors with a recommendation whether to proceed.

The Food Share retains the right to refuse a gift during negotiations without incurring cost or liability.

### **Bargain Sale Arrangements**

A bargain sale is a sale of property for less than its fair market value. When a bargain sale is made to a qualified charitable organization, the excess of the fair market value of the property over the sale price becomes a charitable contribution to the organization. The property involved in the bargain sale must be reviewed by the Board of Directors in accordance with these policy guidelines relating to that type of property.

Almost anything can be sold or exchanged in a bargain sale. A bargain sale may be utilized when a donor wants to maximize his or her charitable deduction but needs some funds or an installment stream from the sale. Unless specifically approved by the Board of Directors, the bargain sale price paid for the property may not exceed fifty percent (50%) of its appraised value.

Concerns of liquidity, marketability, holding costs, environmental contamination and liability must be considered before entering into any bargain sale agreement. Prior to accepting a bargain sale, the Food Share must identify and allocate the funds required by the purchase agreement. The Board of Directors will review proposed bargain sale arrangements on a case-by-case basis to determine if the condition of the property and the circumstances provide a positive gift value for the Food Share.

### **Life Income Gifts**

The Food Share will not serve as trustee for life income gifts.

The Oregon Community Foundation (OCF) is available to act as trustee of Charitable Gift Annuities, Charitable Remainder Unitrusts, and Charitable Remainder Annuity Trusts where the Food Share is the beneficiary. These gifts are contingent on OCF's policies, which may change from time to time and are contingent on acceptance by OCF's gift acceptance committee.

A donor may designate any professional trustees, trust company, trust department or individual to serve as a trustee of life income gifts, such as charitable gift annuities and charitable remainder trusts.

Any un-designated distributions to the Food Share from life income gifts will be used as determined by the Marion-Polk Food Share Board of Directors.

### **Life Insurance Gifts**

Life insurance can be received as a charitable gift to benefit the Food Share in three ways:

- 1) The donor retains ownership of a policy and designates the Food Share as a beneficiary or contingent beneficiary of the policy.
- 2) The donor transfers an existing paid-up or self-sustaining policy to the Food Share as owner/beneficiary (in whole or in part). Such policies require little administration,

contain a cash value and provide a guarantee of the ultimate value of the gift. This gift is accomplished with an absolute assignment form obtained from the insurance company.

- 3) The donor purchases a new policy with the Food Share as applicant, owner and irrevocable beneficiary. The donor makes ongoing donations to the Food Share in the amount of the premium payments, and the Food Share in turn makes the premium payments to the insurance company. The donor pledges to make regular gifts to cover the premium payments. Cash or marketable securities may be accepted for premium payments. These policies will be carefully evaluated prior to acceptance in regards to the Food Share's future financial obligation to keep the policy in force should the donor be unable to continue premium payments.

Some insurance techniques may involve co-payments for investment purposes, outright purchases of insurance or partial assignment of life policies. These and other more sophisticated uses of life insurance will be carefully reviewed by the Board of Directors on an individual basis as to the financial exposure/internal rate of return for the Food Share, the financial commitment of the donor, the design of the insurance program, the illustrated credited interest/dividends rate on the policy, mortality assumptions and the strength of the insurance company.

Unless otherwise restricted or directed by the donor, all income received from life insurance gifts will be used as determined by the Food Share Board of Directors.

### **Life Estate Agreements**

A life estate agreement is a charitable instrument by which a personal residence, vacation home, or farm is transferred by deed to a charitable organization during a donor's lifetime and the donor retains usage of the property for life. A deed with a life estate provision is executed. The donor retains the rights and privileges of having the use of the home or property. The donor receives any income the property produces, and that income must be reported for income tax purposes. Unless specific terms are agreed upon prior to the establishment of the agreement, and approved by the Board of Directors, the donor remains responsible for the upkeep and maintenance costs, property taxes and insurance associated with the property. Donor must annually provide the Food Share with proof of insurance (fire and liability), and the Food Share must verify that real estate taxes are current. If donor fails to maintain insurance or pay real estate taxes, then the Food Share should, at a minimum, obtain insurance coverage and ensure that minimum tax payments are made to prevent foreclosure. Legal counsel should be consulted to explore potential remedies.

Upon the donor's death, the Food Share receives the property to use as needed or as directed in the life estate agreement. The property passes directly to the Food Share, avoiding delays, entanglements and unnecessary estate settlement expenses. At the donor's passing, the property is entirely owned by the Food Share. Decisions regarding acceptance and disposition of gifts of real estate shall be made by the Food Share Board of Directors.

Properties being considered for inclusion in a life estate agreement must be approved by the Board of Directors in accordance with the policies relating to real estate gifts. In addition, the Board will consider the condition of the property, the projected term of the donor's interest, the number of life estate holders and the circumstances of the property's remainder value.

### **Named Gift Opportunities**

Opportunities are available to those who wish to sponsor a specific program or a space of the Food Share or its satellite locations. The Vice President of Development and CEO/President will determine an appropriate naming opportunity schedule. Negotiations with a potential donor to name an entity not listed in the schedule will be considered on a case-by-case basis. Naming will take place only when the donation has been completed and is limited to the life of the space or the program.

### **Gifts to the Endowed Fund**

The Oregon Community Foundation (OCF) has been selected by the Food Share to manage its endowment. Outright gifts that are directed by the donor for the endowment will be placed in the Food Share's permanent, restricted endowment fund.

A donor can also establish a stand-alone, permanent named endowed fund, managed by OCF, with an outright gift of \$25,000 to the Food Share. All named endowed fund agreements will be drafted by the Food Share for the donor's review. Completed endowed fund agreements must be signed by the donor and the CEO/President. These gifts are also subject to OCF's endowment policies, which may change from time to time.

If a donor wishes to make an endowment gift under terms different from the Food Share endowment policy, outside of OCF, they may establish a separate endowment, with terms in writing, signed by the donor and the CEO/President.

To understand and honor the donor's expectations, all limitations, restrictions and implications shall be clarified prior to acceptance of any gift. If the Food Share cannot meet the expectations of the donor within the framework of its policy, it is best for all parties that a gift not be accepted.

The Food Share Board of Directors reserves the right to redirect a restricted endowment gift for another purpose that is deemed by the Food Share to be consistent with the donor's interests and intentions. Such action will only be taken if, in the judgement of the Food Share, it becomes impractical or impossible to fulfill the original donor-designated purpose of the gift. When redirection of a restricted gift becomes necessary, the Food Share will obtain the donor's permission. If the donor is determined to be unreachable and the endowed fund agreement does not address such an amendment, the Food Share will work with the Oregon Attorney General's Office to modify the restriction as outlined in UPMIFA (Uniform Prudent Management of Institutional Funds Act).

*These gift acceptance policies are subject to review and revision by the Food Share's Board of Directors.*