

Johnston Community School Foundation

Gift Acceptance Policy

I. Mission

The mission of the Johnston Community School Foundation is to raise funds to provide grants for our educators in support of our students and schools to promote educational excellence.

II. Purpose

The Johnston Community School Foundation (hereafter, the "Foundation") solicits and accepts gifts for purposes that will help the organization further and fulfill its mission.

The Foundation strongly encourages all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

The purposes of the gift must fall within the broad charitable purposes of the Foundation. Additionally, the Foundation must be able to ensure that gifts accepted by the Foundation do not place other assets of the foundation at risk, that gifts can be easily converted into assets that fall within the Foundation's investment guidelines, and that gifts can be administered in accordance with the donor's wishes.

This policy was drafted in accordance with the National Committee on Planned Giving's *Model Standards of Practice for the Charitable Gift Planner*, which can be found in the appendix to this Policy.

III. Use of Legal Counsel

The Foundation will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review of counsel is recommended for:

- Gifts of securities that are subject to restrictions or buy-sell agreements;
- Documents naming the Foundation as trustee or requiring the Foundation to act in any fiduciary capacity;
- Gifts requiring the Foundation to assume financial or other obligations;
- Transactions with potential conflicts of interest;
- Gifts of property which may be subject to environmental or other regulatory restrictions; or
- Other instances in which the use of counsel is deemed appropriate by the Executive Committee.

IV. Gifts

A. General Provisions

1. The Foundation has the authority to reject any gift, devise, or bequest. Gifts may have to be declined under certain conditions including, but not limited to the following:
 - The gift is restricted and would require support from other resources that are unavailable, inadequate, or may be needed for other organizational purposes;
 - The gift is restricted and would support a purpose or program peripheral to existing mission or principal purposes of the Foundation, or create or perpetuate programs or obligations that would dissipate resources or deflect energies from the mission or purpose of the Foundation;
 - The gift would limit, or tend to limit, the overall strength of the foundation; or the gift would injure the reputation or standing of the Foundation, or generate such controversy as to substantially frustrate and defeat the charitable purpose to be served.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee., in consultation with the Executive Director, if applicable.

2. Appropriate inquiry shall be made and special considerations shall be given to the nature of any gifted property and whether it is in keeping with the mission of the Foundation prior to the acceptance of any property by the Foundation.
3. Donors shall receive an expression of thanks and gratitude from the Foundation and an acknowledgement of the gift in accordance with federal regulations.

Additionally, donors shall be notified at the time of receipt of a gift that the Foundation will, as a matter of policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

4. No publicity will be generated with respect to the gift of any donor without the prior written consent of the donor unless otherwise required by law.

The Foundation shall maintain the highest standards of confidentiality for all donor files and records. Such files and records may be accessed and used only by the Foundation, its employees and agents, and will not be disclosed to or shared with any third party.

5. The Foundation President may accept anonymous gifts, in accordance with the provisions of this Policy. Anonymous gifts so

accepted shall be maintained in a separate file, with access restricted to the Foundation's President, Treasurer, and auditor. In the event that any of these individuals find that such a gift is contrary to the terms of this Policy, they may refer the gift to the Board for further evaluation.

B. Gifts Generally Accepted Without Review

1. **Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line.

All checks must be made payable to the Johnston Community School Foundation (or an investment organization acting on the Foundation's behalf), and shall in no event be made payable to any officer, trustee, employee, agent, or volunteer for the credit of the Foundation.

Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard), card number, expiration date, and name of the card holder as it appears on the credit card.

2. **Marketable Securities.** Securities that are traded on the New York, NASDAQ, or American Stock Exchanges, or other readily-marketable securities may be accepted by the Foundation, by electronic transfer to an account maintained at one or more brokerage firms or physical delivery with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached.

It may be anticipated that all marketable securities will be sold promptly upon receipt unless otherwise directed by the Foundation's Finance Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Executive Committee. In no event shall an officer, trustee, agent, employee, or volunteer working on behalf of the Foundation commit to a donor that a particular security will be used and held by the Foundation.

C. Gifts Accepted Subject to Prior Review

Certain forms of gifts or donated properties may be subject to review prior to acceptance. The Foundation Board shall meet to evaluate and formally accept or reject each gift. They may seek the advice or input of any party they deem appropriate to make a fiscally, legally, and morally sound decision.

Examples of gifts subject to prior review include, but are not limited to:

1. **Tangible Personal Property.** The Executive Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations:

- Does the property further the organization's mission?
- Are there any carrying costs for the property for which the organization may be responsible?
- Is the title/provenance of the property clear?

No personal property shall be accepted by the Foundation unless there is a reason to believe the property can be quickly liquidated. No such property shall be accepted that obligates the Foundation to ownership of it in perpetuity.

2. **Life Insurance.** The Foundation will accept gifts of life insurance where the Foundation is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
3. **Real Estate.** All gifts of real estate are subject to review by the Executive Committee. Prior to acceptance of any gift of real estate other than a personal residence, the Foundation shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include:
 - Is the property useful for the organization's purposes?
 - Is the property readily marketable?
 - Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
 - Are there carrying costs (including insurance, property taxes, mortgages, notes or the like) or maintenance expenses associated with the property?
 - Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
4. **Bequests.** Donors are encouraged to make bequests to the Foundation under their wills, and to name the Foundation as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.

In the event of inquiry by a prospective donor, representation as to the future acceptability of property proposed to be left to the Foundation in a will or through any other deferred giving arrangement shall only be made in accordance with the terms and provisions of this document.

5. **Other Deferred Gifts.** The Foundation may become the intended beneficiary of other types of planned giving, including, but not limited to, Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans. It is the policy of the Foundation that it not be involved in the establishment, administration, or solicitation of such plans without prior consideration and consent of the Executive Committee.
6. **Charitable Lead and Remainder Trusts.** The Foundation may accept designation as an income beneficiary of charitable lead trusts. The Foundation also may accept designation as a beneficiary of charitable remainder trusts.

Prospective donors interested in any of the above-mentioned plans in paragraphs 3–5 are strongly encouraged to consult with professional investment firms, bank trust departments, or other qualified officials of their choice.

D. Restriction on Gifts. The Foundation will not accept gifts that:

- Would result in the Foundation violating its corporate charter
- Would result in the Foundation losing its status as an IRC 501(c)(3) not-for-profit organization;
- Are too difficult or too expensive to administer in relation to their value;
- Would result in any unacceptable consequences for the Foundation; or
- Are for purposes outside the Foundations mission.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee, in consultation with the Executive Director.

V. Restrictions on Use and Investment of Gifts

- A. No restrictions on how gifts may be used by the Foundation will be honored without prior Board approval.
- B. The Foundation is organized exclusively as a non-profit organization. No part of its net earnings shall inure or be accepted to the benefit of any individual. The assets gifted to the Foundation shall not be used to

attempt to influence legislation and the Foundation shall not participate in or intervene in any political campaign on behalf of any candidate for public office.

- C. No restriction placed upon the assets of the donor shall be honored which does not comply with the charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (or any subsequent corresponding provisions of the Federal Internal Revenue law).

VI. Costs of Accepting and Administering Gifts—Professional Fees

- A. The Foundation may pay fees for professional services rendered in connection with the completion of a gift to the Foundation. Such fees will be paid only with prior written approval of the Executive Committee.
- B. Such fees may be paid only following discussion with and approval by the donor.
- C. Fees must be *reasonable, usual, and customary*, and must be directly related to the completion of a gift. They shall be limited to:
- Legal fees for the preparation of documents;
 - Accounting fees incident to the transaction;
 - Fees for professional appraisals of gift items; and
 - Fees of *bona fide* “fee for service” financial planners.
- D. The Foundation shall not pay any person as consideration for directing a gift to the Foundation. This prohibition includes, but is not limited to, the payment of finder’s fees or commissions.
- E. In cases where the person receiving fees was initially employed by the donor and the Foundation is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in taxable income to the donor in the amount of the fees paid.
- F. In cases where advisors retained by the Foundation prepare documents or render advice in any form to the Foundation and/or the donor, it shall be disclosed to the donor that the professional involved is retained by the Foundation and is not acting on behalf of the donor. In such cases, the donor shall be advised to have any documents or other advice rendered in the course of the relationship between the Foundation and donor reviewed by counsel for the donor prior to the completion of the gift.

VII. Standards of Conduct. The following standards of conduct shall apply:

- A. Gifts shall be discussed by the prospective donor with his or her own legal and tax advisors.

- B. Representatives of the Foundation shall not use pressure or inappropriate persuasion to secure a gift.
- C. All matters related to the gift shall be held in confidence, as provided in this policy.
- D. If there is any basis to suspect that the prospective donor is not competent, the Foundation will take the appropriate steps to determine competency.
- E. It will be the responsibility of the donor to secure an appraisal, where required, and independent legal and/or financial advice for all gifts made to the Foundation, and to pay any fees associated with such appraisal or advice.
- F. The Foundation will record a gift at its valuation for gift purposes on the date of receipt of the gift.
- G. The Foundation is responsible for filing IRS Form 8282 upon sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with filing instructions is attached as an appendix to this Policy.
- H. Acknowledgment of all gifts made to the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Foundation. IRS Publication 561, *Determining the Value of Donated Property* and IRS Publication 526, *Charitable Contributions*, are attached as appendices to this Policy.

VIII. Review of Policy. This Policy has been reviewed and accepted by the Foundation Board. The Board must approve any changes or amendments to the Policy. The Board shall review the Policy annually.

Appendices

1. National Committee on Planned Giving, *Model Standards for Practice for the Charitable Gift Planner*.
2. IRS Publication 561, *Determining the Value of Donated Property*.
3. IRS Publication 526, *Charitable Contributions*.
4. IRS Form 8282 with filing instructions.

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