

Southern York County School District Foundation

Gift Acceptance Policies

I. SCOPE

These Gift Acceptance Policies for the Southern York County School District Foundation (Foundation) are designed to assist Foundation directors, staff, and volunteers in planning, evaluating, and processing gifts to Foundation. These Policies apply only to outright gifts in which the donor transfers his, her, or its entire interest in the donated asset. These Policies do not address deferred, split-interest, or partial interest gifts.

II. GENERAL POLICIES

A. Gift Purposes

Gifts are sought and accepted only for programs and purposes that serve the interests of Foundation and the community it serves. Foundation will consider acceptance of contributions and grants for the following purposes:

1. Unrestricted gifts for the general purposes of Foundation.
2. Gifts designated by the donor for a particular purpose, if the purpose is fully consistent with the mission and objectives of Foundation. Donors of gifts that are restricted as to purpose are encouraged to permit the inclusion of the following as a term of their gifts:

If the Board of Directors of Foundation determines in good faith that any donor-imposed restriction on the use of this gift has become unnecessary, incapable of fulfillment or inconsistent with the purposes of Foundation, then the Board of Directors may modify or eliminate such restriction in a manner that furthers the purposes of Foundation and that the Board of Directors determines in good faith is consistent with the general charitable intentions of the donor.

Donors may also be encouraged to include alternative purposes for the use of narrowly restricted or designated gifts at the time the gift is made.

3. All gifts that are restricted as to purpose and endowment gifts must be acknowledged with a statement or written gift agreement. The gift agreement must be signed by the donor and the Executive Director.
4. Any gift for a purpose or program not previously established by the Foundation must be approved by the Board of Directors.

B. Unacceptable Gifts

Foundation reserves the right to decline any contribution or grant, including, but not limited to, those that—

1. Break the law, including gifts that promote discrimination based upon race, color, sex, creed, ethnic or national identity, handicap, sexual preference, or age.
2. Do not further the mission of Foundation.

3. Inhibit the procurement of other gifts from other donors.
4. Are not financially beneficial to the interests of Foundation. While valuable benefits—especially tax and financial considerations—may accrue to donors in certain circumstances, the donor must have a “donative intent” as the primary reason for making a gift. Donative intent is the intention to give away something of value for the betterment of Foundation. Foundation will not be involved in transactions that disproportionately benefit the donor as compared to the benefits that accrue to Foundation and its community.
5. Involve actual or potential liability in excess of 50% of the gift value; for example, a gift of real estate with substantial mortgages, environmental liabilities, operating costs, or costs of sale that may exceed 50% of the value of the property.
6. Are made by a donor with whom Foundation does not desire to be associated because the donor’s actions or espoused beliefs, or the means by which the contributed property was obtained by the donor, are inconsistent with the mission of Foundation.
7. Present a material threat to Foundation’s status under section 501(c)(3) of the Internal Revenue Code.

C. Standard Form Documents

Foundation will develop and maintain standard forms of agreements and documents relating to the receipt and administration of charitable gifts. Foundation will provide standard forms to a prospective donor and the donor's advisors upon request and encourage their use.

D. Payment of Fees

Fees and expenses related to gifts are expected to be paid by the donor, including valuation of the gift; however, Foundation’s Board of Directors may authorize the negotiation of fees, if insisted upon by the donor as a condition of the gift. Foundation will not pay the following:

1. Finders fees for current or planned gifts.
2. Investment or administrative fees that could be construed as compensation for a gift being made to Foundation or for its benefit.

E. Gift Valuations

Foundation members or those working on behalf of the Foundation will not knowingly or through negligence be a party to inflating the value of a gift above the true fair market value in order to provide a tax advantage to the donor. True market value of stock will be valued on the day of the transfer of the gift by using the average of the opening and closing market values of the day. Upon acceptance of bequest or bequest intent, a Foundation member cannot serve as an executor of the estate or successor trustee of a living trust.

F. Professional Advice to Donors

Foundation personnel must be careful not to place themselves in the position of serving as the legal, financial, or tax advisor to a donor. While personnel will, as part of the development process, have occasion to discuss tax and financial matters with a donor or donor’s advisor, all representatives of Foundation must encourage donors to seek their own professional advice on all matters related to the proposed gift transaction. Foundation staff and counsel may assist the donor’s legal or financial counsel by preparing illustrations of gift options for their review.

G. Foundation Legal Counsel

The following gifts must be reviewed by Foundation's legal counsel before they may be accepted: gifts of real estate; gifts of privately held stock; gifts governed by a gift agreement that differs materially from a standard form previously approved by legal counsel. Other proposed gifts may be reviewed by legal counsel in the discretion of the President.

III. ACCEPTANCE POLICIES

A. Pledges

Charitable pledges must be set forth in a written instrument signed by the donor, must provide for payment of the full pledge amount no later than five years after the date of the pledge, and must clearly state whether the pledge is intended to be legally binding on the donor and his or her estate.

B. Life Insurance

A gift of a life insurance policy requires approval by the Board of Directors unless all of the following criteria are met:

1. The death benefit under the policy is at least \$25,000;
2. The policy is fully paid up; or the donor has pledged an amount equal to or exceeding the value of the premiums necessary for the policy to be fully paid up, and the pledge is payable within five years and on a schedule that will allow for timely payment of the remaining premiums from the pledge payments;
3. Foundation is the sole beneficiary of the policy; and
4. The policy is not a variable life policy.

Acceptance of the death benefit under a life insurance policy naming Foundation as the beneficiary does not require Committee approval unless it is otherwise required by these Policies.

C. Gifts in Kind Valued at \$2,000 or More

Gifts-in-kind, other than motor vehicles, with a fair market value of more than \$2,000 must be approved by the Board of Directors. Gifts of automobiles, boats, airplanes, and other motor vehicles are subject to special tax rules and are not addressed by these Policies.

D. Real Estate

Gifts of real estate present greater potential financial risks to Foundation than most other types of gifts. These risks include liability arising from the property, the costs of carrying the property, and the costs of disposing of the property. No gift of real estate may be accepted until it has been reviewed by Foundation's legal counsel and approved by the Board of Directors. The donor must determine the value, environmental risk, and marketability.

E. Other Assets

Gifts of other assets including, but not limited to, partnership interests, securities not traded on national markets, and promissory notes, will not be accepted until they have been approved by the Board of Directors. The Committee will consider the following criteria in addition to others it deems

appropriate: market value and marketability of the asset; mortgages, liens, and encumbrances on the asset; carrying costs associated with the asset, such as insurance, accounting services, unrelated business income taxes, and costs of disposition; and the status of the donor's title to the asset.

IV. EXCEPTIONS, AMENDMENT OF POLICIES

The Board of Directors of Foundation has overall responsibility for establishing policies and direction for Foundation's development programs. Any exceptions to these Policies, and any amendments to these Policies, must be approved by the Board of Directors.

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