

Monadnock Humane Society

GIFT ACCEPTANCE POLICY (GAP)

Effective Date: March 30, 2023

1. **Purpose:** The primary purpose of this policy is to set guidelines that will govern acceptance of gifts made to Monadnock Humane Society for the benefit of its operations, programs or services.

2. **Effective Date:** **These Policy Guidelines shall become effective January 1, 2010. Revised October 31, 2016. Revised March 31, 2022. Revised March 30, 2023.**

3. **Policy Coordination:**

This policy is designed to work in concert with MHS's Endowment, Investment, and Donor Privacy Policies. The Finance Committee will use Generally Accepted Accounting Principles (GAAP) to determine at the time of a gift endowment, whether and how the gift will be accepted. Once determined, GAAP shall govern the funds to protect the wishes of the donor. The Investment Policy shall govern the funds which are invested.

4. **Review and Amendment:**

The Finance and Development Committees shall be responsible for review of this policy and making recommendations for amendments. This policy shall be reviewed at least annually or whenever it becomes inconsistent with state or federal laws. Any amendments shall be written and submitted to the Board to be placed on the agenda for discussion and approval at the next Board meeting. Policy changes shall be reviewed by an attorney and/or CPA as necessary and determined by the two responsible committees.

5. **Donor Considerations:**
 - a) In consideration of both MHS and its donors, this policy is designed to ensure that all gifts to, and for the use by, MHS will provide maximum benefits and protections to all interested parties. (See MHS' Donor Privacy Policy)

 - b) MHS pledges to work with donors to achieve a balance between ensuring their wishes are met, while also ensuring that gifts to MHS do not inadvertently create additional costs and/or administration or are unduly restrictive.

 - c) MHS urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including tax and estate planning impact.

6. Gift Acceptance Committee (GAC):

- a) **GAC Composition:** The GAC shall be the Executive Director, Board Chair, Treasurer, Development Com. Chair, and MHS Development & Marketing Director. The GAC may also appoint a temporary member from the board or other standing committee who has experience with the nature of a particular gift in question.
- b) **Policy Administration:**
- I. The GAC will be responsible for administering and reviewing the GAP procedures, and as appropriate, recommending to the Finance & Development Committees, any changes to ensure a comprehensive policy and compliance with IRS regulations or other applicable state or federal laws.
 - II. The GAC will use the following general guidelines prior to acceptance of gifts that require GAC review:
 - 1) Donors will communicate with MHS regarding their potential gift.
 - 2) The Development Director and/or Executive Director will convene the GAC as appropriate.
 - 3) The GAC will make a decision regarding the acceptance of or negotiations on the gift terms.
 - 4) The Development Director or Executive Director will communicate back to the donor regarding the decision made by the GAC and will negotiate terms if necessary, as directed by the GAC. Only the GAC, or designated representatives thereof, are authorized to negotiate, on behalf of MHS, with donors relating to gift conditions that are of concern.
 - III. The GAC is responsible for making or facilitating the final determination for acceptance of gifts.
- c) **Flexibility:** MHS must be allowed flexibility when considering complex gift situations; in some instances, the merits of a particular gift may demand that it be considered by the whole Board and a final decision made by that body.
- d) **Gift Review Options:**
- 1) Any gift may be considered for GAC review upon request of the Executive Director.
 - 2) Any gifts not covered in this policy shall be reviewed by the GAC and/or board. |

e) **Use of Legal Counsel:**

The GAC **shall** seek the advice of legal counsel (or other subject matter expert) in areas relating to acceptance of gifts such as:

- 1) Gifts of securities that are subject to restrictions or buy-sell agreements,
- 2) Documents naming MHS as trustee or requiring MHS to act in any fiduciary capacity,
- 3) Gifts requiring MHS to assume financial or other obligations,
- 4) Transactions with potential conflicts of interest
- 5) Gifts that are legally unclear or include complex or unusual legal conditions, and
- 6) Gifts of property and all questions regarding said property. (inc. environmental)

- **Note** - Professional Fees: MHS will pay reasonable fees for professional services (legal, accounting, etc.) rendered in connection with the completion of a gift to the organization. Such fees will be paid only with the GAC's prior written approval.

7. **Restrictions on Gift Acceptance:** MHS will not accept gifts that:

- a) May result in MHS violating its corporate charter,
- b) May result in MHS losing its status as a 501(c)(3) not-for-profit organization,
- c) May be too difficult or too expensive to administer in relation to their value,
- d) May result in any unacceptable consequences for MHS,
- e) Represent a conflict of interest,
- f) Are designated for purposes outside the mission of MHS.

8. **Gifts Typically Accepted without GAC Review:**

- a) **Gifts by cash, check, crypto currency** or similar forms.
- b) **Retirement Plans:** MHS welcomes donors to name the organization as a beneficiary to receive all or a portion of the benefits of retirement plans, such as 401(k) defined contribution plans, corporate defined benefit pension plans, Individual Retirement Accounts, and similar tax-qualified retirement plan vehicles.
- c) **Bequests** of cash or check that are not restricted are acceptable
- d) **Matching Corporate Gifts:** MHS welcomes corporate matching gifts and urges donors with access to this benefit to apply for such gifts.
- e) **Negotiable Securities** (marketable) for which there is a readily available secondary market. A letter from MHS to the donor shall state that the securities will be converted to cash at the earliest possible date through a broker approved by the MHS Finance Committee. These securities may be transferred electronically to an MHS brokerage firm or delivered physically with the transferor's endorsement or signed stock power

(with appropriate signature guarantees) attached. All negotiable securities will be sold promptly otherwise directed by the MHS Portfolio Manager

- f) **In-Kind Donations:** In-kind gifts of goods and services that may benefit the needs and mission of MHS may be accepted. Once accepted, the gift(s) becomes the property of MHS, and MHS retains the right to dispose of the gift as it sees fit unless other arrangements have been made with the donor.

9. **Gifts Subject to GAC Review:**

Prior to acceptance and due to the special liabilities they may pose for MHS, the following gifts may be subject to prior review:

- a) **All Restricted Gifts: Restricted gifts and accompanying documents (eg. Trust, will, contract) must be handled with care and reviewed to ensure restrictions are feasible and agreeable to MHS.**
- b) **Negotiable Securities with restrictions by laws, etc. --- In cases where marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift.**
- c) **Non-Negotiable Securities** including gifts of stock in private corporations and closely held securities. An appraisal for the fair market value of the securities or stock is the responsibility of the owner and shall be completed before acceptance of the gift by the GAC.
- d) **Charitable Remainder Trusts:** MHS may accept designation as an income beneficiary of charitable remainder trusts.
- e) **Charitable Lead Trusts:** MHS may accept designation as an income beneficiary of charitable lead trusts.
- f) **Tangible Personal Property:** The GAC shall review and determine whether to accept gifts of tangible personal property in light of the following considerations. In many cases, documentation may be necessary per IRS regulations.
- g) **Life Insurance:** MHS will accept gifts of paid-up life insurance policies where MHS is named as both beneficiary and irrevocable owner of all or part of the insurance policy.
- h) **Real Estate:** All gifts of real estate.

10. **Criteria for review/acceptance of gifts with restrictions, tangible property, real estate shall include:**

- a) Does the property further MHS' mission or meet a defined need and is useful for MHS' purposes?
- b) Is the property readily marketable?
- c) Are there any covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property that are unacceptable?
- d) Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?

- e) Is the title/provenance of the property clear? (eg. Automobiles)
- f) Does the environmental review or audit reflect that the real estate is damaged or otherwise requires remediation?
- g) Does the gift obligate MHS to ownership in perpetuity?
- h) Has the donor provided a qualified appraisal as required by IRS regulations issued under IRS Section 170(a)(1), by a certified professional who has no business or other relationship to the donor?

11) Other Gift Acceptance Guidelines

- a) **Anonymous Gifts:** MHS will honor anonymity requests for gifts that are accepted under this policy. See MHS Donor Confidentiality Policy.
- b) **Gift Allocation:** All proceeds from gifts outlined in this policy shall be allocated to the general operating fund or Investment Reserves unless otherwise stipulated, in writing, by the donor and agreed to by MHS.
- c) **Acknowledgments:** MHS will acknowledge the receipt of all gifts and in a manner, which satisfies the IRS substantiation requirements for the deduction of charitable gifts by individual donors currently found in IRS Section 170(f).
- d) **Stewardship:** MHS is indebted to all donors for their commitment to the organization's mission and vision, and accepts the responsibility to utilize all donations appropriately and effectively.
- e) **Appraisals:** Necessary appraisals are the responsibility of the donor and must reflect the fair market value of the item of personal or real property at the time of the gift.
- f) **Documentation and Safekeeping:** All documentation required upon gift acceptance by MHS including signed and dated pledge letters, donor letters of intent, donor gift instruction letters, copies of wills, etc. shall be filed both in hard copy in the Executive Director's office and electronically in the BOD Folder. Donor confidentiality is paramount and will be handled per MHS' Data Privacy Policy.
- g) **Modification of Pledges and Gifts:** Existing agreements/documentation may not be modified without written, notarized documentation from the donor (or authorized rep) and MHS authorized party.
- h) **Finder's Fees or Commissions:** MHS will not pay a fee to any person in consideration for directing a gift to the organization.