



Gift Acceptance Policy

PURPOSE OF GIFT ACCEPTANCE POLICIES

These policies are designed to help facilitate the gift giving process. The intent is to provide prospective donors with the greatest flexibility possible in formulating their gifts within governing policy and legal parameters, while assuring that gifts obtained will support programs consistent with the mission of The Arc.

The Arc values and is responsible for maintaining its mission, integrity and independence. No gift will be accepted that

- 1) is overly restrictive in purpose or timing;
- 2) would put undue hardship on the organization to accept;
- 3) would jeopardize the financial, legal or moral integrity or reputation of The Arc;
- 4) would be inconsistent with The Arc mission, purposes and priorities;
- 5) or which sets limits on the mission of The Arc.

These policies will ensure that the best interests of both the donors and The Arc are served. The goal is to encourage funding without encumbering the organization with gifts that may prove to create more cost than benefit.

The provisions for these policies apply to all gifts received by The Arc for any of its programs or services.

EQUITY AND JUSTICE

The Arc is committed to the principles of equity and justice, and protecting and promoting the intersectionality of identities. As such, The Arc will not accept gifts which involve discrimination based up on race, religion, gender, sexual orientation, age, national origin, color, disability, or any other basis prohibited by federal, state and local laws.

ETHICAL STANDARDS

The Arc endorses and subscribes to the Donor Bill of Rights, endorsed by the Association of Fundraising Professionals.

In connection with its acceptance of gifts, The Arc:

- 1) will not manage trusts, serve as trustee/executor, act as a witness or serve as a personal representative for a donor;
- 2) will not involve itself in the actual drafting of wills and trusts;
- 3) will pay no fee to any person as consideration for directing a gift to The Arc;
- 4) will not assume the costs of real estate appraisals, attorney fees and other fees associated with the donor's gifting process.

No program, agreement, trust, contract or commitment will be knowingly urged upon any prospective donor, which would benefit The Arc at the expense of the donor's interest and welfare. No agreement will be made between The Arc and any agency, person, or organization or any matter related to investments, management or otherwise, which would knowingly jeopardize the donor's interest.

AUTHORIZATION TO ACCEPT GIFTS

The Arc's Chief Advancement Officer or authorized staff member may accept or reject all gifts which are not required by this policy to be accepted or rejected.

The Arc Minnesota reserves the right to refuse any gift, for any reason, regardless of the contents of this policy.

The Arc's Chief Advancement Officer or authorized staff member is responsible for documenting and acknowledging all gifts accepted by The Arc.

RESTRICTED AND UNRESTRICTED GIFTS

The Arc accepts both restricted and unrestricted gifts, subject to the requirements of this policy.

Unrestricted Gifts.

Gifts made with no conditions on their use.

Restricted Gifts.

Gifts made for a specific purpose or time period, or with conditions on their use. Restricted gifts must comply with the following criteria:

- 1) The Arc will not accept gifts with a requirement that the gift be used for a specific individual or group of individuals.
- 2) The Arc can comply with the restrictions of the gift and still use the gift in furtherance of its mission, purposes and priorities.
- 3) The Arc can comply with the restrictions of the gift in a reasonable and cost efficient manner.
- 4) Acceptance of the gift will not result in, or create the appearance of, any private benefit.
- 5) Gifts that are too restrictive in purpose may not be accepted. Gifts are too restrictive if they are inconsistent with The Arc mission or charter, or are too difficult to administer.
- 6) In order to meet the costs of proper management and accounting of the funds and the monitoring of compliance with the Donor's restrictions, a portion of every restricted gift may be reserved to meet those costs as determined by management.

In the event that the need for a restriction ceases to exist, the Chief Advancement Officer will exercise the following options:

- 1) Notify the principal donor, if still available, that The Arc has determined that the specific gift designation can no longer serve the purpose originally intended.

- 2) Have the principal donor select another designation, restricted or unrestricted, that may then be available for immediate implementation by The Arc.
- 3) If, for any reason, the original donor is unavailable or should there be no agreement as to the disposition of the specific gift designation as originally contemplated, The Arc shall make the designation.

In-Kind Gifts.

Gifts of property or material other than cash. Donations to Arc's Value Village stores are subject to approval at management's discretion.

Planned Gifts.

Gifts legally provided for during the donor's lifetime, but whose principal benefits are not received by The Arc until some future time (usually at the death of the donor and or other income beneficiaries). Cash, securities, real estate or property of any description may be bequeathed to The Arc under a donor's will or trust. The donor using this method retains full control and use of the property during his/her lifetime and may alter or revoke the bequest at any time. A bequest made in this manner may not be recorded as a gift until it is irrevocable.

Tribute Gifts.

Gifts made in "memory of" or "in honor of" a friend or loved one.

ASSETS ACCEPTABLE AS GIFTS

The following assets are acceptable as gifts:

Cash.

Cash may be received in any form. In order to ensure prudent financial controls and compliance with IRS receipting requirements, gifts of \$250 or more should be given in forms other than currency (e.g. checks, money orders or wire transfers).

Securities

Listed securities, or securities actively traded over the counter are acceptable. It is the policy of The Arc to convert gifts of publicly traded stock on the same day accepted by The Arc or as soon as possible thereafter. Gifts of securities must also comply with the following policies:

- 1) There are no restrictions on the security that would prevent The Arc from immediately converting those assets to cash.

- 2) The security is marketable. Marketable securities must be transferred to The Arc's investment account.
- 3) The security will not generate undesirable tax consequences for The Arc.
- 4) Securities in closely held corporations, S corporations, or otherwise privately held may only be accepted after consultation with financial and legal counsel.

Tangible Personal Property

Gifts of tangible personal property with the exception of vehicles are acceptable if:

- 1) the property fulfills the mission of The Arc;
- 2) the property is marketable;
- 3) and there are no undue restrictions on the use, display, or sale of the property.

Life Insurance

A gift by contract, through which The Arc will receive a future benefit, may be accepted so long as The Arc is not required to expend funds from sources other than the donor to maintain the contract. The Arc may be named as a percentage or contingent beneficiary of any life insurance policy.

Paid-up life insurance policy gifts in which The Arc is the owner and irrevocable beneficiary are acceptable.

Gifts of life insurance policies which are not paid up may be accepted provided that The Arc is the owner and irrevocable beneficiary and provided further that the donor agrees to continue to make the premium payments.

Gifts of term insurance may not be accepted.

Vehicles

Gifts of vehicles are accepted through Autos for Arc and are sold via a third party vehicle donation program.

UNACCEPTABLE GIFTS

There are some gifts which The Arc will not accept. These types of gifts generally require more

resources to manage and are therefore considered an undue hardship on the organization. Resources may be available for donors to convert these gifts into a type that is accepted by The Arc.

Charitable Gift Annuity

The Charitable Gift Annuity is an irrevocable agreement between the donor and The Arc. The Arc will not offer charitable gift annuities, due to financial risk to The Arc and the challenges of administering them. However, The Arc encourages donors who are interested in this type of arrangement to work with Community Foundations to set up a gift annuity with The Arc as the beneficiary.

Real Estate

Gifts of real estate may include developed property, undeveloped property, or gifts subject to prior life interest. The Arc will not receive gifts of real estate directly, but rather will work with the donor and the Minnesota Real Estate Foundation (“MReF”), a supporting organization of the Central Minnesota Community Foundation, whose mission is to build community by simplifying and facilitating the gifting of real estate. In general, MReF receives 3% to 6% of the transaction proceeds from the donor, which is agreed upon in advance. See Addendum 1 MN Real Estate Foundation: Procedures for Accepting Gifts of Real Estate.