GIFT ACCEPTANCE POLICY

JANUARY 2020

CONTENTS

INTRODUCTION

1. As a non-profit private school, St John's Episcopal School (the "School") is a qualified organization under IRS rules to receive deductible charitable contributions - full details can be found in *IRS Publication 526 – Charitable Contributions.* The School will always seek to maintain its status as a qualified organization and will not knowingly accept any gifts that might jeopardize its position or damage its reputation.

2. This policy provides best practices and procedures relating to the acceptance and recognition of contributions or gifts made to the School. The policy further provides guidance on:

   - The types of gifts that are acceptable in accordance with the School's mission and values;
   - The procedures that donors should follow when making gifts to the School;
   - What donors can expect from the School for gifts made;
   - The responsibilities of the Advancement Office, the Business Office and the Gift Acceptance Committee in gift administration;
   - Critical issues that might arise with particular gifts;
   - When professional services may be required.

3. The School will aim to ensure integrity and consistency in its gift administration processes and will help donors to maximize the value of their philanthropic support of the School. The generosity of donors ensures that the School can prepare students to become responsible leaders and lifelong learners through an education that emphasizes intellectual engagement, independence, collaboration, creativity, and integrity.

4. The School is committed to following best practices and will ensure that all donors are treated in accordance with The Donor Bill of Rights as issued by the Association of Fundraising Professionals - see Appendix A.

5. Donors should note that the School cannot give legal or financial advice and recommends that all prospective donors seek the assistance of their own legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

Conformity to National Reporting Standards

6. The School will follow the standards of accounting and reporting established by the Financial Accounting Standards Board (FASB), the Council for Advancement and Support of Education (CASE) and the National Association for Charitable Gift Planners.

Standards of Practice and Ethical Principles

7. The School will comply with the Model Standards of Practice issued by the National Association of Charitable Gift Planners – see Appendix B.

8. Members of the Advancement Office will adhere to the Principles of Practice for Fundraising Professionals at Educational Institutions, approved by the CASE School Committee, as a guide for common-sense dealings during the philanthropic process – see Appendix C. In addition to CASE Principles, members of the Advancement Office recognize the principles set forth by the Association of Fundraising Professionals’ Code of Ethical Principles and Standards of Professional Practice.

KEY RESPONSIBILITIES

Advancement Office

9. The Advancement Office, led by the Director of Admissions & Advancement, is responsible for reviewing and accepting all gifts to the School. The Director of Admissions & Advancement reserves the right to decline any gift that is not consistent with the School’s mission and vision. The Director of Admissions & Advancement may defer their decision until they have consulted with the Head of School and/or the Gift Acceptance Committee.

10. The Advancement Office maintains the School’s fundraising database which includes full details of gifts received including the intended purposes of the gifts and the names and addresses of the donors. All information that the School has gathered on its donors, potential donors, and alumni will be held and maintained in confidence. Gifts will only be made public if authorized by the donor. The School will not sell, rent loan or trade any personal or biographical information to any other entity. Files will be only made available if required by law.

11. The Advancement Office is responsible for the gift acknowledgement process in accordance with IRS regulations. All donors will be acknowledged and thanked for their gifts in writing promptly, within 5-10 business days, after the gift has been received.

12. Pledges and other commitments will be recorded promptly and accurately in the School's fundraising database and the Advancement Office will maintain a payment reminder system.

13. Outright gifts to the School shall be recorded only when assets are irrevocably transferred to the School.

Capital Campaigns

14. Whenever the School launches a capital fundraising campaign, the Advancement Office will be responsible for implementing all campaign-specific policies. The Advancement Office will work closely with the Business Office so that all campaign gifts are appropriately recorded on the fundraising database and accurately accounted for in the School's general ledger.

Business Office

15. The Business Office, led by the Director of Finance, will ensure that gifts are accurately recorded in the School's general ledger in accordance with Generally Accepted Accounting Principles (GAAP) for Not for Profit entities. The Business Office will review all gifts prior to deposit to the School's bank account and posting to the general ledger. Working together with the Advancement Office, the Business Office will also ensure that all gifts are correctly reported in accordance with any restrictions or conditions specified by donors.

16. The School's fiscal year end is June 30. The School produces Financial Statements in accordance with GAAP following the end of the fiscal year and these are audited by an independent CPA audit firm. The Business Office will ensure that all gifts are appropriately reported in the School's annual audited Financial Statements, copies of which are available to donors on request.

Gift Acceptance Committee

17. The School has established a Gift Acceptance Committee, which comprises members of the Advancement and Business Offices and the Head of the School.

18. The Gift Acceptance Committee meets monthly to review:

    - All proposed gifts of tangible personal property;
    - All proposed gifts of real estate and non-liquid business interests, in advance of further review by an outside professional, including (where appropriate) legal counsel;
    - Appropriate types of donations that can be suggested to donors who wish to make a gift to the School;
    - Items that donors may wish to propose as memorial gifts;
    - Standards pertaining to plaques, trees, benches, public spaces and buildings that might be designated as memorials;
    - Any other gift proposal that may be referred to it for consideration.

19. The Advancement Office is responsible for implementing all gift acceptance policies recommended by the Gift Acceptance Committee.

TYPES OF GIFT

Gift Categories

20. A gift, or contribution, is an irrevocable transfer of cash or other assets to the School in one of four categories:

    - *Cardinal Fund* – the annual unrestricted giving fund which provides additional revenue for the School's fiscal year (July to June) for operational costs that are not covered by tuition fees;
    - *Restricted gifts* – gifts which donors have specified for a particular purpose which are held until all conditions or restrictions are met;
    - *Capital campaign* – the School will run specific capital campaigns periodically when needed for key capital projects. Gifts made to a capital campaign will only be used for expenditure relating to the capital project advertised;
    - *Endowment* – gifts which are restricted in perpetuity and cannot be spent. The School may use the interest on endowments but only for the purpose specified by the donor, or as specified by the conditions of the endowment fund.

21. The following types of gifts are acceptable and will be processed in accordance with IRS regulations:

    - Cash (including checks and credit cards);
    - Gifts In Kind;
    - Tangible Personal Property;
    - Marketable Securities and Mutual Funds;
    - Third Party Gifts;
    - Non-Liquid Business Interests;
    - Real Estate;
    - Life Insurance;
    - Mutual Funds;
    - Gifts from Donor Advised Funds;
    - External Grants.

Cash

22. Cash and checks should be submitted to the Advancement Office where they will be recorded in the fundraising database and prepared for submission to the Business Office.

23. There will be occasions when the School runs incentive programs to maximize cash gifts from donors. Donors should note that the value of such goods or services received in exchange for donations cannot be claimed as charitable contributions. The School will record the value of any goods and services provided in exchange for cash gifts in the acknowledgement letters it sends to its donors. Further information can be found in *IRS Publication 1771 – Charitable Contributions*.

Valuation

24. All charitable gifts in the form of cash, checks, cashiers' checks, money orders, electronic fund transfers, credit and debit card transactions will be received and recorded at face value. The School will ensure a high level of security for gifts made by credit or debit card online.

25. The date of the gift for cash gifts will be determined by the following:

    - The date the gift is received by the Advancement Office;
    - The date electronically transferred funds are received into the School's account;
    - The date a credit or debit card transaction is processed and the funds are received into the School's credit card account.

26. At calendar year-end, the date will be determined by the U.S. postal marking indicated on the mailing envelope containing the gift. At fiscal year-end, June 30 will be the final date for recording gifts that will be reported in the annual Financial Statements.

Acknowledgement

27. The School will issue a letter to the donor to thank them for their donation, to recognize the amount of cash received and the date it was received on. The letter will also note if any goods or services were received in exchange for the cash gift in accordance with paragraph 23.

Gifts In Kind

28. Gifts in kind are contributions other than cash and may include items to be auctioned or sold at fund-raising events, school equipment, furniture and fixtures, food or other items for hosting events, travel expenses incurred while in service to the School, maintenance agreements, deep discounts or bargain sales, royalties, gifts of gas, oil and mineral rights, software, intellectual property, patents and copyrights.

29. The Director of Admissions & Advancement or where appropriate, the Gift Acceptance Committee shall review all gifts in kind prior to the gift(s) being accepted. <u>The School may in its sole discretion decline any gift in kind that it considers will not help to further its mission and objectives</u>. In all cases where a gift in kind is being considered, donors should consult with the Director of Admissions and Advancement to confirm that the gift in kind is consistent with the School's policy and can be accepted by the School.

30. Contributed services **<u>cannot</u>** be counted as a gift in kind and do not qualify as a charitable tax deduction. The School will provide the acknowledgement of the dates of service and whether the School provided goods or services in return for the services.

31. Reimbursed expenses for volunteers cannot be claimed as charitable tax deductions. If a volunteer wishes to donate reimbursed funds, the volunteer should receive and process the reimbursement and issue a new, separate check to the School specifying which category the gift is to be recognized in as per paragraph 20. The School will then process the check in accordance with the cash gifts process.

Valuation

32. Gifts in kind will be recorded on the School's fundraising database at face or fair market value provided by the donor. Following their initial discussion with the Director of Admissions and Advancement, donors should complete a gift in kind form - which is available from the Advancement Team at Advancement@stjohns-es.org - and include appropriate supporting documentation.

33. The School will only count as a gift the amount it would have ordinarily paid for the item(s) if it had purchased them itself regardless of the estimated value or receipt a donor may provide. The donor should therefore always include the dollar value of the gift at the educational discount price. If no educational discount is available, this must be stated on gift in kind form and the evidence of retail value provided.

Acknowledgement

34. The School will issue an acknowledgment letter to the donor that will contain a description of the gift and the date received. It is the responsibility of the donor to document the value declared.

Tangible Personal Property

35. The School will accept gifts of tangible personal property provided that the property donated can be used or sold to further the mission and values of the School. These non-cash gifts may include art, antiques, books, coins, vehicles, equipment, and inventory. If the item is converted to cash, the donor may claim a deduction for the cost or the fair market value, whichever is lower.

36. Gifts of tangible personal property will only be accepted following review by the Gift Acceptance Committee. The final determination will be made by the Head of School who will consider the marketability of the property, restrictions on the use, display, or sale of the property, and any carrying costs. The Head of School may seek independent professional advice where appropriate. All costs must be borne by the donor.

Valuation

37. Gifts of tangible personal property exceeding $5,000 in value will be reported at fair market value which must usually be established by a qualified independent appraiser (see *IRS Publication 561*). If required, qualified written appraisals of gifts in excess of $5,000 are the responsibility of the donor. Gifts less than $5,000 may be reported at the value declared by the donor.

Acknowledgement

38. The acknowledgment will contain a description of the donated property, the date received and the documented value declared by the donor. IRS policy does not allow the receiving organization to be involved in the appraisal process.

39. If the School sells, exchanges, or otherwise transfers the gift within three years from the date received, the School must file IRS Form 8282. The School will advise the donor if such a transaction occurs, as this may affect the donor's charitable tax deduction.

Marketable Securities

40. The School will accept all publicly traded securities based on the full fair market value of the securities. Marketable securities should be transferred or delivered physically, with the donor's signature or stock power attached, to the School's brokerage account with First Republic Bank.

41. All gifted marketable securities will usually be sold upon receipt unless otherwise determined by the Director of Finance in consultation with the Head of School. In some cases, marketable securities may be restricted by applicable securities regulations; in such instances, the final determination of acceptance shall be made by the Director of Finance and the Head of School. The sale of securities received by the School, as well as opening and closing brokerage accounts for the purpose of processing gifts of securities, is the responsibility of the Director of Finance.

Valuation

42. Gifts of publicly traded securities will be recorded at their value at the time of sale as stated on the bank statement received by the School. The date of the gift will be the date an electronic transfer of securities is received into the brokerage account owned by the School;

Acknowledgement

43. Gifts of publicly traded securities will be acknowledged to the donor in writing with the name and actual number of shares and the date donated. The valued recorded will be the value at the time of sale by the School's brokerage firm as stated in paragraph 41.

Third Party Gifts

44. A gift made by an organization on behalf on an individual shall be credited to the entity distributing the gift to the School. Examples of such gifts include matching gifts from employers and gifts from family or community foundations, family or closely held corporations, and other donor-directed gifts that are not personally given.

45. The Advancement Office will ensure that individuals are recognized in the School's fundraising database. The organization providing the gift will however be legally credited for gift accounting purposes.

Non-liquid Business Interests

46. Closely held or restricted securities, sole proprietorships, general or limited partnership interests, limited liability corporation stock, S corporate stock, and/or REITS may be accepted only after review and approval by the Director of Finance and the Head of School. Gifts will be reviewed prior to acceptance to determine that:

    - There are no restrictions on the security that would prevent the School from ultimately converting these assets to cash;
    - The security will not generate any undesirable consequences for the School.

47. If potential problems arise in the initial review of the asset, advice and recommendation by an outside professional, including legal counsel may be sought, and the final determination on acceptance will be made by the Head of School. Every effort will be made to sell these assets as quickly as possible unless the Director of Finance and Head of School determine that the asset should be retained as part of the School's overall investment strategy.

Valuation

48. Gifts of non-liquid business interests exceeding $10,000 will be valued for recording purposes at the fair market value assessed by a qualified independent appraiser. This appraisal is required by the IRS for gifts of stock that are not publicly traded. Gifts of $10,000 or less will be valued at the per-share cash purchase price of the closest transaction. If the stock is not redeemed by the corporation during the reporting period, a gift of closely held stock will be credited at the value determined by a qualified independent appraisal. Gifts of $10,000 or less, when no redemption has occurred during the reporting period will be valued by an independent CPA firm.

Acknowledgement

49. Gifts of non-liquid business interests will be acknowledged in writing with the name(s) of the shares, the actual number of shares and the date the shares were gifted. No dollar amount will be included in the acknowledgement.

Real Estate

50. The School will consider gifts of real estate, including developed and undeveloped property, on a case by case basis. Property may be given outright, through a bargain sale arrangement, or for the purpose of funding a life income arrangement. The School does not usually accept mortgaged property.

51. For all real property interests to be received by the School, a School representative or agent will inspect the property. The Business Office will review all required documentation and produce an analysis for the Gift Acceptance Committee which will include:

    - Market conditions for resale or the ultimate disposability of the property;
    - The condition of any improvements located on the property;
    - Current and potential zoning, land use, and environmental issues;
    - Any costs associated with holding the property for resale; and
    - Other considerations specific to the acquisition of the property.

52. Donors considering gifts of real estate should contact the Head of School for further guidance.

Valuation

53. Gifts of real estate will be valued for recording purposes at the fair market value assessed by a qualified independent appraiser as required by the IRS. It is the responsibility of the donor to document the value declared and pay for the appraisal.

Acknowledgment

54. The acknowledgment will contain a description of the property, its value and the date it was gifted.

Life Insurance

55. Although usually considered a deferred gift, life insurance can also be an outright gift if it is a wholly paid up policy. The policy should name the School as both the irrevocable owner and beneficiary and it will then be valued at its cash surrender value upon receipt. In most cases, the School will surrender the policy for its current cash value.

Valuation

56. The gift will be valued on the date the donor officially transfers ownership of the policy to the School. The valuation assigned by the School is for gift recognition purposes only. It is the responsibility of the donor to substantiate how the value of the gift was determined for tax purposes.

Acknowledgment

57. The School will issue an acknowledgment that will contain a description of the policy, its value and the date it was received.

Mutual Funds

58. Mutual funds will usually have specific procedures that govern the transfer and redemption of shares. A donor considering a gift from a mutual fund should contact the Business Office for specific instructions before initiating the transfer. The Business Office is responsible for establishing brokerage accounts to facilitate gifts of mutual funds.

Valuation

59. Gifts of mutual funds will be valued for recording purposes by the Business Office at the net asset valuation on the date the mutual fund is received into a brokerage account owned by the School.

Acknowledgment

60. Gifts of mutual funds will be acknowledged in writing with the name(s) and the actual number of shares and the date donated. No dollar amount will be indicated on the receipt. The exception to this will be when the donor gives a mutual fund in exchange for a life income gift and the securities must be valued in order to calculate the remainder value.

Gifts from Donor Advised Funds

61. A Donor Advised Fund (DAF) is often used to maximize the tax efficiency of charitable donations. An individual receives a charitable tax deduction at the time that the DAF is created but no further deduction when the DAF transfers gifts on behalf of the donor to the School.

62. As the legal donor, the DAF will receive legal credit for payments received, and the donor will receive 'soft' recognition. Individuals should note that letters for tax purposes will <u>not</u> be issued to individuals where gifts have been made from a DAF.

External Grants

63. Grants to support any legitimate and approved School programs that are philanthropic in nature will be reported as contributions by the Business Office. Such grants will be considered provided that:

    - No quid pro quo exchange is required;
    - The outcome does not result in a product of marketable value intended for the exclusive use of the grantor.

PLEDGES

64. The School will accept and record written conditional and unconditional pledges in its fundraising database and general ledger in accordance with GAAP. A conditional pledge is dependent on the occurrence of a specified but uncertain future event. If the conditions materialize, the pledge becomes binding on the donor. Multi-year commitment agreements must include details of the gift amount and proposed schedule of payments. The agreement should specifically state the designation for the gift, indicating any restrictions on the use of the funds.

65. The acceptable timing for receipt of pledges may vary depending on the purpose of the pledge. In general, unless otherwise stated on the pledge form, the maximum amount of time to fulfill a commitment will be five years from the date of execution of the agreement. The Gift Acceptance Committee must approve commitments that extend beyond five years. Donors should note however that pledges to the Cardinal Fund must be fulfilled before the end of the School's fiscal year – June 30.

Pledges from Donor Advised Funds

66. An individual donor **cannot** make a legally binding commitment or a multi-year commitment on behalf of a DAF because they are not making a *personal* pledge. The arrangement is considered a 'non-binding gift intention' and referenced as such in conversations, correspondence, and written documentation. This will not compromise the policies or tax status of the individual or DAF because there is no binding personal commitment. The Advancement Office will send regular reminder letters for payments to individuals but will state that 'it would be timely to ask the DAF to make a cash gift' in accordance with the pledge made.

67. As the legal donor, the DAF will receive credit for payments received toward a non-binding gift intention, and the donor will receive 'soft' credit.

DEFERRED GIFTS AND GIFTS WITH RETAINED LIFE INCOME

68. The School will usually accept the following types of deferred gifts:

- Bequests and Retirement Plan Designations;
- Life Insurance;
- Charitable Gift Annuities;
- Charitable Remainder Trusts;
- Charitable Lead Trusts;
- Pooled Income Funds;
- Remainder Interests.

69. Recognition of deferred gifts will be when the assets are actually and irrevocably transferred to the School by trust, gift instrument, or letter.

70. Documented provisions in wills or other revocable instruments shall be acknowledged but not treated as charitable gifts to the School until funds are actually received. The School will accept cash and securities to fund charitable annuities and charitable trusts. Real estate will be accepted on a case by case basis to establish net income charitable remainder unitrusts and in some cases, charitable gift annuities. IRS rules specifically prohibit the acceptance of mortgaged property to fund charitable remainder unitrusts.

71. Donors of life income gift arrangements may designate the remainder value of their gift to any approved program within the School.

72. Donors considering deferred gifts and gifts with retained life income should contact the Head of School for further advice.

ENDOWMENTS

General Policy

73. The School will define and manage its endowments and quasi-endowments (board designated funds) in accordance with GAAP. Individual endowments may be pooled and invested in accordance with the prevailing investment policies of the School, as approved by the School/Finance Committee. Income generated by endowed funds will be expended in accordance with the prevailing policies of the School.

74. Endowments may be designated for restricted use in any legitimate and approved department or program within the School. Endowments may be named in honor of individuals as specified by the donor(s).

75. Endowments must be governed by a written agreement executed by the School and the donor. This agreement will be approved by the Head of School before it is presented to the donor.

76. Endowments may be funded with outright contributions or by pledges paid over a period of years (usually five or less). Income from the endowment will go to the donor's intended purpose.

77. Endowments may also be funded with deferred contributions from bequests, life insurance policies, retirement plan designations, charitable remainder trusts, charitable gift annuities, pooled income fund contributions, and similar instruments and arrangements.

78. Endowments created by testamentary transfer shall be administered in accordance with the donor's wishes as set forth in the relevant testamentary document; provided that the donor clearly intended to establish an endowment and the intended use is not prohibited by law or School policy.

Endowment Minimums

79. The School does not have recommended minimum endowment amounts.

80. Donors considering endowments should contact the Head of School for further guidance.

NAMING OPPORTUNITIES

General Policy

81. A naming opportunity is an invitation to a donor(s) to name a facility (such as a building or specific space within a building) or a program in honor or memory of someone the donor wishes to recognize, in exchange for a gift of an amount established by the School.

82. Naming opportunities, including the appropriate gift size, the funding plan, and the how the gift will be utilized, must be approved by the Gift Acceptance Committee.

83. Contributions qualifying for naming opportunities can be used for facility construction or renovation, maintenance, program enhancement and/or operations, scholarships, faculty salaries or professional development. Contributions may or may not be endowed. How the gift will be used will be set forth in a written agreement between the donor and the School.

Funding Requirements

84. The funding plan for a named opportunity must meet with the approval of the Head of School/the Gift Acceptance Committee. It may be determined that the naming will be delayed until agreed funding requirements are met.

85. Outright gifts and documented pledges may be used to fully or partially fund a named opportunity. The Head of School/Gift Acceptance Committee must approve any arrangements that include pledged amounts to be received beyond five years prior to the pledge agreement being executed by the donor.

86. Upon approval of the Head of School/Gift Acceptance Committee, testamentary deferred gifts (including gifts by will, trust, retirement plan, life insurance policy, or life income agreement) may be used in combination with an outright gift and/or pledge to fund a named opportunity, as long as the testamentary portion of the total commitment is no more than 50 percent of the total gift, is secured by an irrevocable pledge agreement, and the present value of the deferred gift will meet the agreed-upon gift level.

87. Irrevocable gifts with retained life income (including gift annuities, pooled income funds, and charitable remainder trusts) may be used to fund a naming opportunity provided that the present value of the deferred gift will meet the agreed gift level. The Gift Acceptance Committee must approve the use of an irrevocable gift with retained life income to name a facility (or specific space within a building) for which construction is not yet completed.

APPENDIX A

THE DONOR BILL OF RIGHTS

I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III. To have access to the organization's most recent financial statements.

IV. To be assured their gifts will be used for the purposes for which they were given.

V. To receive appropriate acknowledgement and recognition.

VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.

VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

APPENDIX B

MODEL STANDARDS OF PRACTICE
For the Charitable Gift Planner

A code of ethical practice for all professionals who work together to structure gifts that balance the interests of the donor and the purposes of the charitable institution.

I. PREAMBLE

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

II. PRIMACY OF PHILANTHROPIC MOTIVATION

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

III. EXPLANATION OF TAX IMPLICATIONS

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

IV. FULL DISCLOSURE

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

V. COMPENSATION

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

VI. COMPETENCE AND PROFESSIONALISM

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VII. CONSULTATION WITH INDEPENDENT ADVISORS

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

VIII. CONSULTATION WITH CHARITIES

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

IX. DESCRIPTION AND REPRESENTATION OF GIFT

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

X. FULL COMPLIANCE

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

XI. PUBLIC TRUST

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain. Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.

APPENDIX C

PRINCIPLES OF PRACTICE FOR FUNDRAISING PROFESSIONALS AT EDUCATIONAL INSTITUTIONS

Approved by the Council for Advancement and Support of Education (CASE) Board of Trustees in July 2014

Philanthropy is a voluntary exchange in which the values and aspirations of donors are matched with the values and aspirations of those they benefit.

Educational fund-raising professionals work on behalf of those served by their institutions during this exchange of values and represent their universities, colleges, and Schools to donors, volunteers, and the larger public. In doing so, they also represent the integrity of the institution and of the fund-raising profession. They must, in discharging responsibilities, observe and promote the highest standards of personal and professional conduct and continually strive to increase their knowledge of the profession.

The following principles are consistent with CASE's position on commission-based compensation developed by the Commission on Educational Fund Raising (now the Commission on Philanthropy) in 1991 and reaffirmed in 2005, and the Donor Bill of Rights (Appendix A). They are intended to provide guidance and direction to educational fund-raisers and volunteers as they make ethical choices during the philanthropic exchange of values. The principles are not, and cannot be, an exhaustive list of rules to be applied to every decision in which ethical principles may be involved.

These ethical principles go hand-in-hand with the expectation that educational fund raising professionals are expected to comply with the letter and the spirit of all laws relevant to charitable giving.

Personal Integrity

Individuals will:

- be fair and honest and conduct themselves with integrity;
- not maintain any vested interest in a professionally related activity that could result in personal gain without prior full disclosure and approval;
- respect that their relationships with prospective donors, donors, volunteers, and employees are professional relationships and may not be exploited.

Confidentiality

Individuals will:

- safeguard and respect donor and prospective donor information;
- honor the wishes of an individual and/or organizational constituent with regard to how directory information and/or giving history is used;
- record and keep only information relevant to cultivation, solicitation, and stewardship;
- identify the source of retained information;
- safeguard prospective donor, donor, and other constituent lists compiled by the institution as the property of the institution; these lists may not be distributed or used for unauthorized purposes or for personal gain;
- make every effort to ensure that volunteers, vendors, and external entities with access to constituent information understand and agree to comply with the organization's confidentiality and public disclosure policies.

Public Trust

Individuals will:

- ensure donated funds are used in accordance with donors' intentions;
- obtain specific instructions from a donor before altering conditions of a restricted gift (consistent with applicable law);
- provide prompt, responsive, and truthful replies to donor and public inquiry in accordance with the organization's stated policies;
- place the mission and interest of the institution and its donors above personal gain;
- pursue only gifts that fall within, or advance, the institution's mission and/or approved priorities.

Disclosure

Individuals will:

- be truthful about the institution's mission, intended use of funds, and capacity of the institution to use donations effectively for the intended purpose;
- be truthful and specific about the identification of the organization they represent and their employment or volunteer status;
- understand and disclose their areas of expertise and will give appropriate advice regarding the involvement of the donors' legal, accounting, financial and tax advisors;
- help ensure appropriate and consistent accounting, budgeting, and reporting methodologies.

Compensation

Individuals will:

- not accept commission-based compensation or compensation based on a percentage of funds raised;
- not accept external compensation for the receipt of a gift or information leading to a gift;
- not agree to pay compensation to individuals in respect of a gift or information leading to a gift.