



Denver Jewish Day School
Operating under a qualified 501(c)(3) nonprofit status
EIN – 84-1476467

POLICIES CONCERNING GIFT ACCEPTANCE

April 29, 2019

Board Approved at the September 14, 2004 Board meeting
Revised May 2011, Board Approved June 7, 2011
Revised October 2019, Board Approved December 17, 2019

MISSION

Our pluralistic Jewish community day school prepares and inspires Jewish students through an extraordinary secular and Judaic education to live purposefully, act ethically, and thrive in the world.

PURPOSE

Denver Jewish Day School (Denver JDS) development efforts are to solicit outright gifts of cash and marketable securities and other items of value that can be monetized for current or future use ((including real property and pledges for outright gifts).

AUTHORIZATION

Denver JDS is authorized to encourage donors to make both outright gifts and deferred gifts, including bequests, gifts of life insurance policies and proceeds, gifts of retirement accounts, charitable remainder trusts, charitable lead trusts, retained life estates and such other gift arrangements as the Board of Trustees may from time to time approve. All aspects of the implementation of Denver JDS's gift acceptance policies are subject to the direction of the Board and are subject to delegation to the Executive Committee (EC) and the Director of Development.

GENERAL PRINCIPLES

- A. ***Ethical Responsibilities of Denver JDS.*** The policy of Denver JDS is to inform, serve, guide, and otherwise assist donors who wish to support Denver JDS activities, but never

under any circumstances to pressure or unduly persuade. No gift will be accepted, or program promoted that violates these Policies or Denver JDS's bylaws or articles of incorporation. Denver JDS should always strive to maintain the highest level of integrity with its donors, scrupulously avoiding actual or apparent conflicts of interest and any conduct that would tend to bring discredit to the donor or Denver JDS. Denver JDS should not accept any gift when the donor's intent appears uncertain or unclear. All gifts should be analyzed for any potential adverse publicity associated with Denver JDS's acceptance of the gift or ownership of the asset. Denver JDS reserves the right to refuse acceptance of any gift when the donor has not received appropriate professional advice, complied with applicable tax and appraisal requirements, or otherwise complied with these Policies, or for any other reason.

- B. ***Recognition of Donors.*** Denver JDS should always seek to properly recognize the contributions of its donors, at the time the donation is made, consistent with the donor's wishes. Permission to publicly recognize a donor and the donor's gift will be assumed unless otherwise requested. Requests for anonymity will be honored.
- C. ***Communication with Donors.*** Denver JDS should remain open and accessible to its donors, and should provide appropriate communication of its activities, use of funds, and policies.
- D. ***Reporting and Accounting for Gifts.*** Denver JDS will satisfy its state and federal reporting obligations with respect to any gift and will account for any gift properly in its financial statements.
- E. ***Negotiation of Planned Gifts.*** The Director of Development and the Development Committee or its sub-committee, are authorized to negotiate planned gift agreements with prospective donors, in accordance with these Policies. In any case not covered by these Policies or when these Policies so provide, the agreement must be approved by the Executive Committee.
- F. ***Review by Denver JDS Counsel.*** All gifts that require execution by Denver JDS will first be reviewed and approved as to form by Denver JDS's legal counsel. However, no agreement need be reviewed by legal counsel if it is in all substantial respects the same as a prototype or form agreement that has been reviewed and approved.
- G. ***Disposition of Non-Cash Gifts*** is as soon as possible, in best interests of Denver JDS, with publicly traded stock being sold upon receipt.
- H. ***Appraisals and Valuation.*** Gifts of property other than cash and marketable securities will ordinarily require an appraisal. Exceptions to the appraisal requirement can be made when the property is thought to have a value of less than \$5,000. Denver JDS expects the donor to obtain and pay for the appraisal. Marketable securities will be valued at their market price on the date of transfer. Except for gifts of marketable securities, any minimum size of gift requirement for an endowed chair or other similar recognition will not be deemed to have been satisfied until Denver JDS disposes of the property and realizes the required amount of cash from such disposition. [Donors should be reminded of the requirement to file the front side of IRS Form 8283 for certain gifts in excess of \$500, and of the need to file the back side of IRS Form 8283 for certain gifts in excess of \$5,000 (and of the need to obtain an appraisal, when applicable), and Denver JDS should comply with its obligation to file IRS Form 8282 upon the disposition of certain donated property within two years from the date of the gift.] In order to maintain the credibility of Denver JDS's systems for crediting and reporting gifts, the Director of Development

should refer to the EC any appraisals that he or she believes does not accurately reflect the fair market value of property donated or proposed to be donated to Denver JDS.

I. ***Gifts Subject to Development Committee Vetting and Executive Committee Approval.***

Any gift of tangible personal property such as art or collectibles that have the intent to become Denver JDS property, valued at \$5,000 or more need to be vetted by the Development Committee and approved by the Executive Committee prior to acceptance.

- a) Any interest in real property, whether transferred outright or subject to a retained life estate or similar reservation.
- b) Any gift of tangible personal property such as art or collectibles that have the intent to become Denver JDS property, valued more than \$5,000.
- c) Any interest in any closely held corporation, partnership, limited liability company, or other business interest where no readily established market exists (referred to elsewhere as "illiquid securities"). (Note that gifts of stock in "S Corporations" raise special tax issues for both Denver JDS and the corporation's shareholders.)
- d) Any interest as to which Denver JDS assumes any financial commitment or management responsibility (such as a general partnership interest, a working interest in oil and gas properties, interests subject to "call" or assessment provisions, and real estate or personal property maintenance expenses).
- e) Charitable remainder trusts if Denver JDS is serving as trustee or co-trustee.
- f) Other similar arrangements where the donor receives an income or other payment from Denver JDS.
- g) Any other circumstance in which Denver JDS will serve as trustee or co-trustee.
- h) Bargain sales.
- i) Gifts that are subject to conditions or restrictions on Denver JDS's right to dispose of the gift (excluded are those gifts with conditions that require the gift to be used for endowment, the acquisition of a particular facility or item of personal property already contemplated by Denver JDS, financial aid, the funding of a chair, or the like).
- j) Gifts of insurance policies, where Denver JDS would be expected to pay premiums.

J. ***Confirmation of Restrictions on Gifts.*** The Director of Development should send to each donor of any gift (other than an outright gift) a letter confirming that no conditions exist as to the use of the property given except as set forth in the letter.

K. ***Enforcement of Pledges.*** The Development Office will report to the EC any actual or anticipated default of any pledge. Denver JDS, in appropriate circumstances, may commence legal proceedings to enforce any pledge, but any decision to do so will be subject to the approval of the EC.

L. ***Reports to Board.*** The Director of Development will prepare and deliver to the DC and EC a report of all planned gift arrangements at least annually.

M. ***Review of Policies.*** The DC should review these Policies at least every three years and should seek advice from tax or real estate counsel when appropriate.

N. ***Amendment.*** These Policies may be amended by the Board of Trustees at any time.

O. ***Professional Advice for Donors.*** Persons acting on behalf of Denver JDS should encourage the donor to discuss any proposed deferred gift with independent legal,

financial, and tax advisors of the donor's choice. Denver JDS or its representatives will not provide legal or tax advice to donors or gift prospects. Denver JDS may provide general information on giving arrangements; however, in order to avoid conflicts of interest, the unauthorized practice of law, or the giving of investment advice, donors and prospects will be urged to contact their personal professional advisors for detailed advice applicable to their own circumstances. These Policies are designed to ensure that the donor receives a full and accurate explanation of all aspects of any proposed deferred gift and its appropriateness to the donor's objectives and circumstances.

- P. **Payment of Commitments.** Payment to Denver JDS may take the form of one or a combination of the following: cash, marketable securities, or real property that will be converted to cash within a reasonable time period (1 - 3 years).
- Q. **Charitable Intent.** Gifts will not be accepted where there is no charitable intent on the part of the donor.
- R. **Acceptance of Gifts.** Gifts will not be accepted when conditioned on acts to be done by Denver JDS of benefit to the donor.
- S. **Audit.** All gifts will be subject to Denver JDS's annual audit procedures. Every year the auditor will verify the validity of pledges by contacting a percentage of donors.
- T. **Further Review.** Any gifts that the Development Committee deems are in need of further review can be presented to the Executive Committee.
- U. **For any monies or assets under the control of Denver JDS should the tax-exempt status change.** If Denver JDS tax exempt status should change or if Denver JDS should cease to exist, the Denver JDS Board of Trustees shall have the power to designate an alternative purpose to which, in the Board's sole judgment, most nearly approximates the original purpose for allocation of the Fund(s).
- V. **Prepayment of pledges. (Annual/multi-year)** When a Chai Five Club pledge is prepaid, the school will place in reserve the funds to recognize in the year in which they were originally pledged but for tax benefits receive recognition when paid. However, when fundraising dollars for a fiscal year are below budget and there are pre-paid pledges, the Finance Committee may decide to recognize such prepaid pledges in the year they were actually paid.

PLEDGES

- A. **Signed Pledge Cards Needed to Record Pledge:** No verbal pledges are recorded. Letters of Intent can count as a signed pledge.
- B. **Pledges, Named Endowment Minimum: \$100,000.**
- C. **Pledges, Payment Period:** Normal pledge payment period for gifts to Denver JDS will be three to five years. Exceptions can be made for a period not to exceed ten years.
- D. **Pledges, Permanent Donor Recognition:** will be based upon the four-fifths payment of pledge commitments within a three or four-year period. The full amount of the pledge must be paid within five years. Denver JDS reserves the right to revoke permanent donor recognition if the full pledge is not paid in six years or no prior arrangements have been made.

GIFT VALUATIONS

- A. **Cash:** In cases where gifts are made in cash, the valuation is the amount of cash.
- B. **Publicly Traded Securities:** Gifts of securities will be valued at the average market value on the date the full interest in the transferred property is received.
- C. **Privately Held Securities:** Gifts of closely held stock will be valued based on a qualified independent appraisal at the time of transfer. Generally, gifts of privately held securities will be accepted only when conversion into cash within a given time frame is expected.
- D. **Real Property:** Gifts of real property will be reported based on the appraised value as determined by a qualified independent appraiser within 60 days of the date of transfer.
- E. **Life Insurance:** Gifts of life insurance will be valued, for recognition purposes, based on the determination with donor's life insurance agent and reflected in the policy's annual statement.
- F. **Gifts-In-Kind:** Gifts-in-kind are tangible gifts other than cash, marketable or privately held securities, or real property. Gifts-in-kind of an indeterminate value will be recorded at one dollar (\$1.00) and acknowledged as received with no value stated. Gifts of art, collections, etc. will be determined by an approved appraisal.
- G. **Gifts-of-Service:** Gifts of service are contributions of actual billable service directly related to the business or profession of the provider. Gifts of services will be recognized at the level of actual expenses invoiced but not to be paid. Evidence of a gift of service will be a voided or canceled invoice stating the date, type of service rendered, quantity cost, total cost and amount to be contributed or forgiven.

APPRAISAL REQUIREMENTS

- A. **Gifts-of-Property:** other than stocks, gifts of \$5,000 or more must be accompanied by a qualified, independent appraisal. The appraiser cannot be associated with Denver JDS or any of its employees. When the gift is to fund a specific recognition opportunity, donors agree to make up any shortfalls upon conversion to cash.
- B. **Donors to Seek Own Counsel:** Donors of property gifts must seek their own legal and tax counsel regarding all property gifts. Denver JDS reserves the right to refuse gifts of property when it is determined that the donor has not complied with IRS appraisal requirements or that the advice of the independent counsel is not being obtained.
- C. **Acknowledgement Given Upon Transfer:** Donors of property gifts will receive an acknowledgement of the gifts only when complete transfer has occurred. The acknowledgment will not include any reference to the value of the gift.
- D. **Donor Responsible for Appraisal:** All costs associated with obtaining a qualified appraisal will be borne by the donor.

RESPONSIBILITY OF DONORS

- A. **Letter of Understanding from Donor:** Information concerning gift planning is to be for illustrative purposes only and is not to be relied upon exclusively in individual circumstances. A letter of understanding from a donor of a property gift may be required

along with proof of outside advice being rendered before such a gift will be accepted.

- B. Document Proof:** Legacy donors to Denver JDS are strongly encourage, but are not required, to give to the development office a copy of the relevant portion of the donor's will or other estate instrument (like the beneficiary designation form for life insurance and retirement funds). Donors are asked to fill out and sign a Donor Record Form or Declaration of Intent Form so that Denver JDS may keep accurate records in the donor's file and steward the donor properly.
- C. Agreements to Restrictions:** the Executive Committee may individually review all potential or proposed planned gifts or restricted gifts. Prospective donors are encouraged to request, and may expect to receive, a letter from the Board Chair regarding agreements to restrictions placed upon the proposed gift by the donor.
- D. Evaluations, Tax Deductibility and/or Counsel:** Although representatives of Denver JDS will provide all appropriate assistance, the ultimate responsibility regarding evaluations, tax deductibility, and/or such counsel as the donor may wish to secure is the responsibility of the donor.
- E. Notice of Professional Advisors:** To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, or the dissemination of income or estate tax advice, all donors of property gifts must indicate the professional advisors rendering opinion on the gift.

GIFT ACCEPTANCE

- A. Head of School/CEO, Development Director, Board Chair:** The Head of School/CEO, Director of Development, Board Chair are authorized to accept all gifts of marketable securities and/or cash.
- B. Gifts of Property Under \$5,000:** Property gifts, other than real estate, may be accepted by the Director of Development or the Head of School/CEO. Property gifts other than real estate valued over \$5,000 require vetting by the Development Committee and approval from the Executive Committee.
- C. Gifts of Real Property:** such gifts require the approval of the Board of Trustees.

BEQUESTS

- A. Gifts of Unrestricted Bequests:** Proceeds from unrestricted bequests will be applied 100% to the permanent endowment with an option of up to 50% going to capital based on the Board's recommendation.
- B. Accounting for Bequests:** Quantifiable and specific bequests from persons 75 years of age or older will be counted in Capital campaign totals for accounting purposes. For such bequests to be counted, Denver JDS must receive a dated copy of the will or the codicil to the will, which makes provision for the specific bequest to Denver JDS.
- C. Bequests are a High Priority for Denver JDS,** as is designating Denver JDS as the beneficiary of life insurance policies, IRA's and other retirement plans.
- D. Copy of Will's Provision:** In order for Denver JDS to recognize the generosity of its donors, donors will be invited to provide Denver JDS a copy of the provision that names Denver JDS as a beneficiary, but it is not mandatory. Denver JDS will trust the donor

who so states their intent to name Denver JDS as a beneficiary.

- E. **Recognition:** Denver JDS's Legacy Society recognizes donors on a central plaque as well as in the annual dinner publication, Annual Meeting publication, yearly mailings about the Legacy Society, recognition at annual Chai Five Club events and other venues where appropriate.

PROPERTY GIFTS

- A. **Cash Conversion.** All property gifts received will be converted to cash at the earliest appropriate opportunity, after considering the best interests of Denver JDS. Generally, property gifts will not be accepted by Denver JDS where conversion to cash is not likely to occur within three years, unless donor guarantees such a conversion.
- B. **Associated Expenses.** Associated expenses of any property gifts are to be borne by the donor, including environmental testing and appraisal fees.
- C. **IRS Reporting.** All property gifts received by Denver JDS and disposed of will be duly reported to the IRS when required.
- D. **Appraisal Requirements.** Almost all gifts of real property will require a current appraisal at the donor's expense.
- E. **Environmental Review.** Prior to acceptance of any gift of real property, Denver JDS will give due consideration to any environmental risks and may require the donor to obtain a Phase I environmental audit, as well as any other examinations or insurance policies (title insurance, etc.) if any potential issues are raised as a result of the Phase I assessment.
- F. **Property Subject to Debt.** Ordinarily, Denver JDS will NOT accept a gift of real property that is subject to a mortgage or similar encumbrance, but exceptions may be made when the property has sufficient equity to justify assumption of the liability and the property is reasonably marketable.
- G. **Property to be Held in Trust.** If a donor wants to give real property and retain income, a "net-income", "net-income with make-up provision", or a "Flip" charitable remainder unitrust are the preferred instruments. Ordinarily, Denver JDS will not accept a gift of real property for a charitable remainder annuity trust or a charitable gift annuity.
- H. **Management of Real Property.** Ordinarily, Denver JDS will not accept responsibility to actively manage real property.
- I. **Marketability of Real property.** Real property contributed to Denver JDS must be reasonably marketable.
- J. **Review by Denver JDS Counsel.** Denver JDS may seek the advice of counsel concerning title, surveys, access, real property taxes, authority to transfer, leasehold interests, environmental matters, and other pertinent legal issues concerning any real property to be accepted by Denver JDS, if any questions arise.
- K. **Inspection of Property.** A representative of Denver JDS will physically inspect any property in which a proposed interest is to be transferred to Denver JDS.
- L. **Recognition.** For property gifts to be recognized, complete transfer of ownership must have occurred. Donor recognition will be based upon the appraised value at the time of transfer or the sale price if sold within 6 months.

GIFTS-IN-KIND

- A. **Tangible Gifts** other than cash, securities, or real property. If value is undetermined, then gift will be recorded at one dollar (\$1.00) and acknowledged as received.
- B. **Gift Value Based on Fair Market Value:** The gift value is determined by the cost or fair market value of the materials on the date that ownership (possession) is transferred to Denver JDS.
- C. **Evidence of Fair Market Value:** The evidence of the fair market value can be: (1) a canceled invoice for the purchase of the product by the donor, or (2) a voided invoice from the donor to Denver JDS or a third party appraisal.
- D. **Counting Toward Campaign Goals:** Gifts-in-kind will be recorded as gifts and count toward the campaign goals if the in-kind gift helps to fulfill a specific campaign objective.
- E. **Donor Recognition:** based upon the value of the gift-in-kind, recognition will be separate from recognition for gifts of cash or liquid assets.

GIFTS-OF-SERVICES

- A. **Donated Billable Services:** Gifts-of-services are contributions of actual billable service directly related to the business or profession of the provider. The tests of a gift-of-service are that the services require a specialized skill, which would typically need to be purchased if not provided by donation, and that the services help to enhance or create a non-financial asset.
- B. **Valuation Based on Fair Market Value:** Gifts-of-services are valued according to the fair market value or cost on the date of performance.
- C. **Voided Invoice:** The value of the services is documented by a voided invoice from the service provider to Denver JDS. This invoice should clearly document the hourly cost of the services, the number of hours of service and the dates of service and the invoice should include a description of the services provided.
- D. **Gifts Valued at Cost:** The fair market value does not include a profit margin or markup from the donor. Essentially, gifts-of-services are made “at cost.”
- E. **Counting Toward Campaign Goals:** Gifts-of-services will be recorded as gifts and count toward the campaign goals if the service gift is a pre-identified existing need of Denver JDS and helps to fulfill a specific campaign objective. Gifts-of-service can NOT be counted toward endowment.
- F. **Donor Recognition:** Donor recognition will be based upon the value of the gift-of-services as documented and recorded in the campaign records, based upon fair market value. Such recognition must be agreed upon between the donor and the Development Committee or the Executive Committee under advisement of the Denver JDS auditor. Recognition for gift-of-services will be separate from recognition for cash gifts or liquid assets.

GIFTS OF ILLIQUID SECURITIES AND OTHER BUSINESS INTERESTS

- A. ***Gifts of Illiquid Securities:*** Denver JDS ordinarily will accept such gifts for which there is no readily established market as long as Denver JDS assumes no liability in receiving them, and the asset can be sold within a reasonable period of time in accordance with applicable laws.
- B. ***Requirements for Acceptance of Illiquid Securities.*** Denver JDS ordinarily will accept gifts of illiquid securities and other interests in privately held business entities for which no readily established market exists as long as Denver JDS assumes no liability in receiving them, and the asset can be sold within a reasonable period. The EC should be consulted regarding the valuation of any such gift for Denver JDS's internal gift booking purposes. Donors should be encouraged to seek advice from their own advisors concerning any gift of stock of an S corporation.
- C. ***Donor Recognition:*** Donor recognition will be based upon 50% value of the illiquid gift and documented and recorded in the campaign records as such.

CHARITABLE REMAINDER TRUSTS

- A. ***Charitable Remainder Trust:*** The charitable remainder trust is a trust established by the donor that provides for payments to the donor and other named beneficiaries from the assets of the trust, either for life or a term of years (not exceeding twenty), and then the remaining trust assets are distributed to one or more charities. Charitable remainder trusts generally take one of two forms -- the charitable remainder annuity trust and the charitable remainder unitrust.
- B. ***Charitable Remainder Annuity Trust:*** A charitable remainder annuity trust pays annually a fixed amount (at least 5 percent, and not more than 50%) of the fair market value of the assets contributed to the trust, determined at the time the trust is funded. This amount does not change, and no additional gifts may be made to the trust after its initial funding. The percent of value of Denver JDS's remainder interest in a charitable remainder annuity trust must equal at least 10% of the initial fair market value of the trust.
- C. ***Charitable Remainder Unitrust:*** A charitable remainder unitrust annually pays a fixed percentage (at least 5 percent) of the fair market value of trust assets, valued each year. Because the value of assets can be expected to change from year to year, the unitrust payment will vary in amount each year. Additional contributions may be made to the trust after it is established. The present value of Denver JDS's remainder interest in a charitable remainder unitrust must equal at least 10% of the initial fair market value of the trust. This rule also applies to additions to existing charitable remainder unitrusts.
- D. ***Three Traditional Varieties of a Unitrust:*** There are three traditional varieties of a unitrust. A "straight" unitrust pays the stipulated percentage of value, even if it is necessary to invade principal to do so. A "net-income" unitrust pays the lesser of the stipulated percentage or the actual net income, so principal is not invaded. A "net-income with make-up provision" unitrust is similar to the net income unitrust except that excess earnings are applied to cover accrued deficiencies resulting from the net income being less than the stipulated amount in any prior years.

- E. ***A Fourth Variety of Unitrust:*** A fourth variety of unitrust, the "flip" unitrust, may be appropriate for trusts funded with real estate or the stock of family operations. The "flip" trust is a unitrust that begins as a "net-income" or "net-income with make-up" unitrust, and then "flips," or converts, to a straight unitrust upon a specified future date or the occurrence of a specified future "triggering event" that is not within the control or discretion of any person. (For this purpose, certain events are deemed not to be within someone's control or discretion, such as marriage or divorce, or the sale of an illiquid asset that has been contributed to the trust.)
- F. ***Denver JDS as Trustee:*** Denver JDS prefers not to serve as trustee of charitable remainder trusts, except when it is in the best interest of the donor and Denver JDS or when it is impractical to name another trustee. Ordinarily Denver JDS will not act as a trustee of a charitable remainder trust that has any remainder beneficiaries other than Denver JDS (or with respect to which the remainder beneficiary can be changed by any person), or that is or will be funded with any of the following assets:
- a) Real estate encumbered by debt margined securities
 - b) Working interests in oil and gas properties
- G. ***Minimum Funding:*** If Denver JDS is named as trustee or co-trustee, the minimum amount for funding a charitable remainder trust will ordinarily be \$100,000, but a trust may be funded with a smaller amount, subject to vetting by the Development Committee and approved by the Executive Committee. If Denver JDS is not a trustee or co-trustee, the minimum will be whatever amount is acceptable to the trustee.
- H. ***Legal Requirements:*** If Denver JDS is named as a trustee or co-trustee, Denver JDS will provide disclosure to the donor on the investment portfolio of the trust's assets in accordance with the Philanthropy Protection Act of 1995.
- I. ***Number of Beneficiaries:*** Denver JDS recommends that the number of beneficiaries be limited to two where payments are to be made for the life of the beneficiaries.
- J. ***Costs of Administration:*** The costs of administration of a charitable remainder trust will be an expense of the trust, and not Denver JDS.
- K. ***Investment of Funds:*** The Finance Committee is authorized to make arrangements for the investment of funds held by charitable remainder trusts.

CHARITABLE LEAD TRUSTS

- A. ***Charitable Lead Trust:*** A charitable lead trust is a trust in which the income, or "lead" interest, is paid to Denver JDS, and the "remainder" interest is given to one or more non-charitable beneficiaries, who could be either the donor or family members. The amount paid to Denver JDS may be either a fixed sum (an "annuity trust" interest) or a percentage of trust assets as valued each year (a "unitrust" interest).
- B. ***Denver JDS as Trustee:*** Denver JDS will not serve as sole trustee of a charitable lead trust and will serve as a co-trustee only with the approval of the EC. Where Denver JDS is named as co-trustee, the minimum amount for a charitable lead trust ordinarily will be \$100,000, but a trust may be funded with a smaller amount subject to prior approval by the EC and by the co-trustee. If Denver JDS is not a co-trustee, the minimum will be whatever amount is acceptable to the trustee.

- C. **Term of Trust:** The trust term may be at the discretion of the donor, subject to the approval of Denver JDS if Denver JDS is a co-trustee.
- D. **Costs of Administration:** The costs of administration of a charitable lead trust will be an expense of the trust, and not Denver JDS.

LIFE INSURANCE POLICIES

- A. **Life Insurance Policies:** Life insurance policies may be contributed to Denver JDS by any of several methods, each of which requires a thorough evaluation of the policy, the insurance company, and the benefit to Denver JDS. A donor may assign irrevocably a paid-up policy to Denver JDS; assign irrevocably a life insurance policy on which premiums remain to be paid; name Denver JDS as a primary or successor beneficiary of the policy; or establish a new life insurance policy with Denver JDS as the applicant, owner, and beneficiary (subject to state law requirements relating to insurable interests).
- B. **Conditions for Acceptance:** Denver JDS generally will accept any gift of a life insurance policy if Denver JDS is under no obligation to expend Denver JDS's assets to maintain the policy and Denver JDS has the unrestricted right to exercise full powers as the owner.
- C. **Payment of Premiums:** If a policy is contributed on which premiums remain to be paid, the donor must either contribute to Denver JDS an amount sufficient to allow Denver JDS to pay the premium, pledge to continue paying premiums, or give Denver JDS permission to surrender the policy for cash value. Under extraordinary circumstances and subject to the approval of the EC, Denver JDS may pay the premium or premiums for the policy.
- D. **Partial Interests:** Denver JDS will not participate in split dollar or reverse split dollar plans, or other partial interest programs.
- E. **Denver JDS as Trustee:** Denver JDS will not serve as a trustee of an irrevocable life insurance trust.

BARGAIN SALE

- A. **Bargain Sale:** A "bargain sale" is a sale of property to Denver JDS for an amount less than the property's current fair market value. The excess of the value over the sales price represents a contribution. The sales price in a bargain sale may be paid either in a lump sum or in installments.
- B. **Applicability of Policies on Real Property:** All of the provisions of these Policies relating to Real Property (set forth above) apply to any bargain sale where Denver JDS will acquire an interest in real property.
- C. **Requirement of Donor's Intent:** No bargain sale should be encouraged unless the donor intends to make a donation to Denver JDS.
- D. **Requirement of Appraisal:** In order to determine the fair market value of an asset that is to be subject to a bargain sale, an appraisal is required. The donor ordinarily should be responsible for the cost of the appraisal. Denver JDS is not qualified to and should not express any opinion of value.
- E. **Assumption of Debt by Denver JDS:** Denver JDS may purchase real property on a bargain sale basis and may assume debt obligations that encumber the property if it is in the best interests of Denver JDS. The price that Denver JDS will pay for any property in

a bargain sale should bear a reasonable relationship to the property's fair market value and marketability, but ordinarily the price paid for the property should not exceed 60 percent of its appraised value. A gift of property encumbered by a mortgage or other lien may constitute a bargain sale. If Denver JDS assumes the obligation to pay off the encumbrance, the amount of indebtedness may be treated as a relief of liability and may cause the donor to realize income. Donors should be urged to seek tax advice from their own advisors concerning any gift of encumbered property.

POOLED INCOME FUND

- A. ***Pooled Income Fund:*** A pooled income fund is a common trust fund that is operated much like a mutual fund. Donors contribute cash, securities, or other property to the fund, and the assets so contributed are promptly sold and the proceeds are used to purchase other securities to be held by the fund. The fund pays a rate of return to all donors (and beneficiaries), or a rate based on the investment return of the assets held by the fund. When the donor (or other beneficiary) dies, the remainder interest (the amount of the donor's original investment and any appreciation in the fund that has not been distributed to the donors and beneficiaries of the fund) is taken from the fund and transferred to Denver JDS. Donors should be urged to seek tax advice from their own advisors concerning any gift to a pooled income fund.
- B. ***Availability of Third-Party Pooled Income Funds:*** At present, Denver JDS does not sponsor its own pooled income fund. However, Denver JDS, if known, will make available to interested donors information concerning "generic" pooled income funds that are sponsored by others but that allow any charitable organization, including Denver JDS, to be named as the holder of the remainder interest in the pooled income fund.

LEGAL AND TAX ADVICE

- A. ***Donor Responsible for Professional Advice:*** Although representatives of Denver JDS will provide all appropriate assistance, the ultimate responsibility regarding evaluations, tax deductibility and/or such counsel as the donor may wish to secure is the responsibility of the donor.
- B. ***Donor Should Seek Professional Advice:*** To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, or the dissemination of income or estate tax advice, all donors of in-kind or service gifts should seek the advice of professional advisors concerning their gifts.

CAMPAIGN PERIOD

- A. ***Capital Campaign Period:*** The campaign period will be the total time encompassed by the active solicitation and payment of pledges including the advance gift or quiet phase.

CAMPAIGN COUNTING

- A. **Capital Campaign Counting:** Only those gifts and pledges received or committed during the specific period identified for the campaign should be counted in the campaign totals. Exceptions will be reviewed and approved by the Executive Committee.
- B. **Unrealized Commitments:** The value of any canceled, withdrawn or unfulfilled pledge will be subtracted from the campaign totals when it is determined that the commitment will not be realized.

CAMPAIGN INCOME

- A. **Non-Gift Income:** The following types of funds may be designated to the campaign but will be reported as non-gift income to the campaign. In campaign reports, these forms of revenue will be shown as additions to the campaign from non-campaign (non-philanthropic sources).
 - a) Board designated surplus income at the end of the fiscal year;
 - b) Donor or board designated investment earnings on gifts; and
 - c) Government funds
- B. **Campaign Revenue Reports:** To be included in the campaign revenue reports, all the above forms of income must receive approval by the Executive Committee and the Board of Trustees.

POLICIES CONCERNING DONOR RECOGNITION

- A. **Anonymous Giving:** While we acknowledge that anonymous giving is the highest form of Tzedakah, we encourage named giving as well. One of the principles behind the successful use of donor recognition is that of peerage. Individuals, corporations, and foundations often wish to be seen among their peers and this includes being viewed as peers in their level of giving. Anonymity requests will be recognized but not encouraged.
- B. **Purpose of Donor Recognition:** The purposes of donor recognition are twofold:
 - a) To provide a genuine and lasting form of recognition for the generosity of benefactors of the capital campaign; and
 - b) To encourage potential donors to raise their level of giving in order to achieve some form of recognition.
- C. **Reporting of Anonymous Givers:** The following will be those individuals will be informed of the amount of all pledges to the Capital Campaign including those who request anonymity: Board Chair, Campaign Chair(s), Head of School/CEO, Director of Development, Controller or Business Manager, Auditor
- D. **Recognition of All Donors:** Provisions will be made to recognize donors to Denver JDS campaigns while recognizing the wishes of those who choose to remain anonymous donors.
- E. **Forms of Recognition:** The following three forms of donor recognition will be utilized:
 - a) Named gift opportunities;

- b) Donor recognition levels;
- c) Publications.
- F. **Minimum Gift for Named Recognition - \$100,000:** to name a particular part of the facility or green spaces.
- G. **Donor Wall Recognition:** \$25,000 minimum to capital
- H. **Publicity:** Periodically, during the campaign the names of members of donor recognition levels or reserved named gift opportunities will be published in a newsletter or campaign materials. Again, the purpose of these publications will be twofold: to show appreciation for pledges made and to encourage others to make pledges to the program. At the conclusion of the campaign benefactors' names, recognition levels, and named gift opportunities may be listed in a victory publication or program.

Denver JDS REVISED Gift Acceptance Policy adopted this 17th day of December 2019 by the Denver JDS Board of Trustees.

Signed & Dated by Board Secretary