



FREDERICA ACADEMY GIFT POLICY

Updated & Approved by the
Board of Trustees
April 2020

Purpose and Scope

As a coeducational, nondenominational, independent, college preparatory day school offering the highest quality education for students of all races, creeds, and nationalities, and as a not-for-profit organization exempt from federal income tax liability by Internal Revenue Code section 501 (c)(3), Frederica Academy qualifies as a public charity under Internal Revenue Code section 509 and is incorporated under the laws of Georgia. Frederica Academy is committed to serving the interests of its stakeholders by:

1. Maintaining confidentiality throughout the entire giving process. Unless otherwise agreed to by the Head of School and the donor, pertinent information will be shared only to the extent that is necessary with professional counsel and/or designated Frederica administrators and members of the Board of Trustees.
2. Encouraging donors to seek independent professional counsel if necessary to represent their interests.
3. Resolving any potential conflicts of interest with donors or prospective donors in consultation with professional counsel.

This gift policy shall govern the acceptance or rejection of all gifts to or for the benefit of Frederica Academy.

Internal Relationships

The Head of School shall have jurisdiction with regard to the approval of all policies and procedures relating to the school's acceptance or rejection of gifts, and the terms or conditions thereof. The Head of School shall, in consultation with the Chairman of the Board of Trustees, the Director of Advancement and the Director of Finance, accept or reject all gifts and the terms or conditions of all gifts. All gifts shall be unconditional and without restriction imposed by the donor unless terms or conditions are accepted in writing by the Head of School. A gift shall not be deemed accepted by the school unless recognized in writing by the Head of School. Frederica Academy's faculty, staff, and Board of Trustees shall report all known gifts and solicitations, planned gift negotiations, and contacts with professional counsel to the Director of Advancement. The Director of Advancement shall report all substantive information to the Head of School.

Accounting Policies

Frederica Academy has adopted *SFAS 116 Accounting for Contributions Received and Contributions Made* and will record contributions as such. The school will accept readily marketable securities which may be transferred to a brokerage account maintained by the school. Any and all brokerage accounts will be established solely by the Head of School, with the prior approval of the Chairman of the Board of Trustees and the Director of Finance. For gift crediting purposes, the value of the securities is the average of the high and low on the date of the transfer to Frederica Academy. The effective date of the transfer will be determined according to the rules of the Internal Revenue Service. The actual cash received upon liquidation of the stock is the value that will be recorded in the actual books of the school.

Conditions of Acceptance

Frederica Academy reserves the right to decline the acceptance of any gift, or term or condition of gift, for any reason, including without limitation to those that do not further its mission or goals, or which would create an administrative burden or excessive expense to the school. All decisions to accept or decline gifts shall be made by the Head of School, in the discretion of the Head of School after consultation with the Chairman of the Board of Trustees, the Director of Advancement, and the Director of Finance. Federal tax law does not permit donors to dictate or restrict investment decisions with regard to the maintenance of irrevocable gifts. Establishment and governance of all planned and other gifts shall be in direct accordance with and subject to the applicable laws and regulations of the United States and the State of Georgia.

Permanently Endowed Gifts

As stated before, The Head of School shall, in consultation with the Chairman of the Board of Trustees, the Director of Advancement and the Director of Finance, accept or reject all gifts and the terms or conditions of all gifts.

In the event that a donor or group of donors wish to permanently endow a gift, the following criteria must be met and approved by the Head of School and Director of Advancement and ratified by the Board of Trustees:

- Clear description of the intent of the gift and its annual distribution
- Gifts totaling an amount that will fund the annual gift(s) anticipating a yield of 5%
- Minimum balance of \$10,000 (with annual amount set at no less than \$500)

Note: there are certain pre-existing awards that do not meet this criteria. They are grandfathered with their current criteria, however, all new permanently endowed gifts must meet the criteria outlined in this policy.

The school, with the approval of the Board of Trustees, does have the authority to revise the terms of the permanent endowment with the permission of the donor(s) or in the absence of being able to obtain said permission, with a majority vote of the Board of Trustees upon recommendation from the Head of School and Director of Advancement. Every effort to work with the original donor should be made and documented before a reclassification is made.

For accounting purposes, the designated yield is used to allocate investment returns assigned to each permanently endowed account. Any difference between the designated yield and the actual yield will accrue/deduct to/from the Board Designated endowment.

This % yield can be adjusted upon the recommendation of the Investment Committee of the Board of Trustees but as of the writing of this policy, the agreed upon yield is 5% For example, a \$10,000 endowment will yield a \$500 annual gift.

The status of permanently restricted gifts is disclosed in the Audit each year and should be reviewed annually.

Confidential Information

All information obtained from or about donors, prospective donors, and gifts shall be held by the school and its representatives in confidence unless the release of information is approved by the donor, prospective donor, or legal representative of the donor or prospective donor.

Planned Gifts

Unless otherwise directed by the donor and agreed to by the Head of School as set forth above, or unless designated by the Board of Trustees, all gifts will represent unrestricted monies, except that upon receipt of a Planned Gift (as further defined herein below) of cash or cash equivalents (to include invested assets but not real or personal property), at least ten percent (10%) of said gift shall be added to the endowment, with the balance to be utilized for the benefit of Frederica Academy at the discretion of the Head of School. The term "Planned Gift" as used in this paragraph shall include only gifts in trust, testamentary gifts received from the estate of a donor, gifts received from the designation of the school as a beneficiary on a life insurance policy or retirement account, retained life estates, and other gifts designated by the Head of School as a planned gift.

Professional Relationships

Frederica Academy will seek qualified professional counsel in the exploration and execution of all planned giving agreements and as necessary for all other type of giving opportunities. Donors will be responsible for seeking independent professional advisors to represent the interests of the donor.