

ARCHBISHOP HOBAN HIGH SCHOOL DONOR GIFT ACCEPTANCE POLICY

GOVERNANCE

Archbishop Hoban High School is governed by a Board of Directors who are responsible for managing the business affairs of the school corporation and exercising all corporate power. The Board establishes school policies that are consistent with and support the Brothers of Holy Cross sponsorship of the school.

In this regard, the Board of Directors of Archbishop Hoban High School has approved all policies for fundraising and donor relations delineated in this Policy Manual.

A Gift Committee will represent the School regarding specific major gifts and the interpretation of School gift policies.

The Gift Committee will comprise the following:

- President
- Vice President of Finance and Operations
- Chair of the Board of Directors
- Chair of the Advancement Committee
- Advancement Office staff

Representatives from other areas of the School (e.g. faculty, administration, trustees, etc.) may be included for discussion of gifts for the School on an as needed basis, depending upon the nature of the gift.

The Gift Committee will review major gifts (if needed) to ensure that these policies are applied consistently. It is the responsibility of Advancement Office staff to bring any gift about which there may be questions to the Gift Committee.

If a consensus cannot be reached by the Gift Committee, the ultimate decision to accept a gift will be made by the President and Chair of the Board of Directors.

GENERAL GIFT POLICY STATEMENT

At the direction of the President, the Advancement staff is responsible for the cultivation and solicitation of all charitable gifts to Archbishop Hoban High School. These responsibilities include:

- a) Inquiries regarding funding to or from individuals, corporations, and foundations
- b) Cultivation and solicitation of gift prospects
- c) Receiving, valuing, and acknowledging charitable gifts

- d) Reporting gift income, investments, and disbursement to constituencies, donors, and to the public at large
- e) Coordination and direction of volunteer groups involved in the fundraising process
- f) Prospect research and maintenance of confidential prospect files

Additionally:

- No fundraising activity which benefits the School, its academic or athletic programs or staff, shall be undertaken without the knowledge of Advancement Office staff and the approval of the President.
- Gifts to the School which are inadvertently received by a department or its members are to be delivered promptly to the Advancement Office, accompanied by all original correspondence pertaining to the gift.

GIFT POLICY GUIDELINES

1. Charitable Intent

When is a gift a gift? When some entity -- person(s), corporation, foundation -- freely relinquishes an asset to a 501(c)3 organization, and that organization freely accepts ownership of the asset, then a gift has been made.

Until a transaction has been received, reviewed, and recorded by the School's Advancement Office, a transaction will not be considered a gift to the school. The School reserves the right to refuse certain transactions. (See sections #6 and #11 below.)

2. Gift Accounting Standards

Gift coding, valuation and reporting will be consistent with national standards as defined by Council for Advancement and Support of Education (CASE). Gift codes will clearly signify the source, vehicle, purpose, and transmittal type of each gift, and will cue the appropriate Business Office general ledger codes.

3. Acceptance, Recording and Acknowledgement of Gifts

It is the sole responsibility of the Advancement Office to record and acknowledge all gifts to the school including cash, pledges, securities, trusts, insurance policies, real estate, and other gifts-in-kind. Therefore, all gifts must be processed by Advancement before being deposited in any school account. The Advancement Office will maintain a comprehensive record of every donor and donation in strict confidence. Donor anonymity will be protected whenever desired by the donor.

4. Securities

Securities should be transferred in such a manner that the donor and Advancement Office can verify the specific date of transfer. Specifically:

For securities held by bank/brokerage:

The donor should contact his bank or brokerage representative to inform them of his gift intentions.

Then, the donor or his broker should call the Advancement Office at to expedite the transfer to the school, or use the School's official broker of record who is authorized to accept gifts of stock on behalf of the school.

The school brokerage account currently resides with Jentner Financial Services.

For physical certificates held by the donor

The donor may simply write "Archbishop Hoban High School" on the back of each certificate, endorse with his guaranteed signature, and mail them to the Advancement Office along with a letter identifying the purpose(s) of the gift.

An alternative method is to mail the school the unsigned certificate and include a stock power, endorsed with the donor's guaranteed signature, assigning the shares to the "Archbishop Hoban High School."

If the donor is gifting only part of a share or certificate

If the donor has a physical certificate for a larger number of shares than he wishes to donate, he should simply endorse the amount of shares he wishes to donate and include a letter to the school requesting the issuance of a new certificate for the excess shares. Here is a sample: "*From this 500 share certificate I wish to donate 100 shares to the Archbishop Hoban High School. Please re-register the remaining shares in my name and return the certificate to me.*" The donor should include his social security number to ensure timely issuance of the new certificate.

If the securities are restricted or closely held

These cannot be bought or sold without legal authority. Legend is stamped on the stock and restricts it. The donor may need to arrange release by corporate attorney.

Penny Stocks

Archbishop Hoban High School will not accept any security that has no tradeable market value, i.e. Penny Stocks.

5. *Gifts-in-Kind*

All gifts-in-kind to the school shall be reviewed by the Advancement Office in conjunction with the academic, athletic, or extracurricular department designated to receive the gift.

A report of any prospective gift-in-kind should be submitted to the President. Advancement Office staff will work with the donor to determine the appropriateness of the gift.

Gifts-in-kind (i.e., art objects, equipment, real estate, services, etc.) should be reviewed with special care to assure acceptance will not involve financial commitments in excess of budgeted items or other obligations disproportionate to the usefulness of the gift (e.g., environmental clean-up). Considerations should be given to the cost of maintenance, cataloging, delivery, insurance, display, and any other requirements for exhibition or storage. All gifts must be consistent with the mission of the school.

When gifts-in-kind are given to the school with the intent of the donor to receive a tax deduction, it shall be the responsibility of the donor to obtain an appraisal establishing the fair market value of the gift for tax purposes. The school shall not become involved in the appraisal process. Involvement of the school in securing appraisals could result in the appraisal's accuracy and objectivity being challenged by the Internal Revenue Service. The donor must bear all costs of the due diligence. If the gift is a gift of real estate the donor must bear the cost of property inspection, title search and/or phase one environmental audit. The donor must indemnify the school in the event environmental liabilities arise.

The school retains the right to sell any gifted asset.

6. *Restricted Gifts*

Acceptance of a gift imposes a legal and moral obligation to comply with the terms established by the donor. Therefore, it is necessary that the nature and extent of the obligation be clearly understood. For this reason, the terms of each restricted gift will be reviewed with the utmost care to ensure that they do not hamper the usefulness and desirability of the gift to the School. If a gift is unacceptable because of the restrictions of the donor, the donor will be counseled to remove or modify the restrictions. Gifts will be refused or returned when the purpose (1) is inappropriate or not conducive to the best interests of the school, (2) is clearly a commercial or political endeavor, or (3) would obligate the school to undertake responsibilities, financial or otherwise, which it may not be capable of meeting for the period required by the terms of the gift.

7. *Gifts Restricted to Departments or Programs*

Some gifts are given to current operating departments or programs. Such gifts shall be used to offset a department's approved operating budget. Such gifts provide "budget relief" as they free up unrestricted monies for use in other areas of the budget. They do NOT constitute an increase or an enhancement to the particular department's approved operating budget. When considering such gifts, donors should be informed accordingly. The Board of Directors approves

the operating budget of the school and its various departments. This budget cannot be arbitrarily increased at the direction of a donor or group of donors.

8. Matching Gifts

Matching gift programs are offered by many businesses. Through matching gift programs, a donor may have his gift "matched" by the employer, some on a two-for-one or three-for-one basis. It is our policy to credit the matching gift to the company which gave it. For recognition purposes only, the donor will be credited the value of the match through computer cross-reference. Generally, the corporate gift will also match the purpose of the donor's gift.

9. Gifts of Endowment

The gift of department or program endowment provides a benefactor with a significant opportunity to support the ongoing excellence of a specific school ministry. Income from such an endowment can be used on an annual basis to underwrite or offset program costs.

Permanency Clause

All gifts received for restricted endowment purposes, when accepted, will be accepted only on the condition that, should the purpose for which the funds are gifted cease to exist, the President in consultation with the Board of Directors, may allocate the income from those funds to a purpose as near as possible to the original intent of the donor.

As appropriate, the terms of any designated or endowed fund must include language to permit the Board to assign a different but related use of such funds should conditions dictate in the future. Such action may be authorized by the donor through the following clause in the transfer of assets or in a bequest:

"If in the opinion of the Board of Directors of Archbishop Hoban High School, all or part of the earnings of the fund cannot be usefully applied to the purpose designated (or in the manner requested), the Board may use the same for any purpose within its corporate powers to decide or for any other purpose which, in its opinion, will most nearly accomplish my purposes, wishes, and intent."

Building and Assuring

The President may authorize the establishment of an endowment fund with amounts less than those stated below provided that within a reasonable period of time from the date of the first gift and approval of the donor's request, the entire principal including earnings and additional gifts, is equal to at least one-half of the stated minimum of the desired endowment. If one-half of the minimum fund has not been provided in a reasonable time, the fund may be terminated and the amounts given used for the general purposes of the institution nearest to those desired by the donor.

A fund may also be activated, even though the principal amount may not have reached the stated minimum, provided the donor will undertake the obligation to supplement the

income of the fund with annual gifts to complete the endowment or by irrevocable estate plan provisions.

10. Endowed Scholarships, Facility or Program Naming Rights

The following guidelines will be used in naming scholarships, new building or renovation projects and academic programs:

- Gifts of any amount can be made to honor, memorialize, or otherwise recognize individuals.
- Named financial aid endowments require a minimum of \$10,000.
- Names of donors for new facilities are handled on a case by case basis based on scope, cost, and length of construction. Typically, they shall not be applicable unless at least 50% of the total construction costs or current replacement cost plus a maintenance endowment are committed and secure. In certain circumstances the naming of a facility may be approved at less than 50% of costs committed by the approval of the Gift Committee. Naming of facilities requires the official approval of the Board of Directors.
- The naming of buildings having major renovations will follow the same policy as new construction. If a building is already named, the use of hyphenation can be considered.
- Internal sections of facilities are available for naming when at least 25% of the cost is provided.
- The school will accept the naming of endowed chairs for academic programs or departments with the provision that a minimum gift of \$1M is committed to endow the projected program or department costs.

The school reserves the right to remove the name from any program, department, scholarship, building or section of a building if an individual's actions, words, or deeds are in conflict with Hoban's Holy Cross mission and are deemed offensive by the Gift Committee. After approval from the Board of Directors, the President and/or Advancement Office staff will notify the parties involved of any changes.

11. Unacceptable Gifts

All gifts must be consistent with the mission of the school. Gifts considered to be unacceptable will be determined by Advancement Office staff in conjunction with the Office of the President. Such may be:

- Those based on an illegal restriction
- Restrictions as to relatives, descendants, or friends as beneficiaries
- Restrictions reserving the designation of the beneficiary of gift to the donor or his/her assigns (e.g., scholarship aid for family members)
- Restrictions on interest rates and conditions for repayment of loans
- Any security that has no tradeable market value, i.e. Penny Stocks

12. Allocation of Gifts by Hierarchy or Purpose

As they are received, gifts will be allocated by Advancement Office staff in conjunction with the President's Office, according to the following Hierarchy of Gift Purpose:

- First, according to donor wishes and/or presumed intent.
- Second, in consideration of operational requirements.
- Third, to meet current school capital or extraordinary commitments.
- Fourth, to support future school needs as identified by the Board of Directors.

13. Refund Policy

By making a charitable gift to Archbishop Hoban High School, a 501(c)(3) organization, the donor understands that the charitable donations are not refundable.

14. General Policies

Investment policies shall be established by the Board of Directors and periodically reviewed. It is essential that the investment policy in each case be clearly stated and rigorously followed, and that prospects be informed of such policies before gifts are accepted.

In all matters involving donors or prospective donors, the interests of the donor shall come before those of the institution. No program, agreement, trust, contract, or commitment shall be urged upon any donor or prospective donor, which would benefit the school at the expense of the donor's interests. No agreement shall be made between the school and any agency, person, company, or organization on any matter -- whether it be investment, management, sale, or other interest -- which would knowingly jeopardize or compromise the donor's interests.

It shall be the policy of the school, its volunteers, and staff, to exclude any high-pressure sales techniques when dealing with prospective donors. The task of all shall be to inform, serve, guide, or otherwise assist in fulfilling the donor's philanthropic wishes, but never under any circumstances to pressure or unduly persuade.

In keeping with this policy, all staff employed by the school to administer or promote planned gifts shall be paid on a fixed salary and not receive a commission related to gifts received in such a way as to create a personal financial interest in any agreement. Commercial programs designated for only one company or one agent shall be avoided.

The prospective donor shall be advised to seek the counsel of his or her attorney in any and all aspects of the proposed gift, whether by bequest, trust agreement, contract or other. The donor shall particularly be advised to consult his or her tax adviser on matters related to the tax liability of a gift and matters related to planning of the donor's personal estate.

Each gift arrangement also shall be reviewed from the perspective of its potential benefit to the work of the school. While the interests of the donor are paramount, no gift shall be accepted

when its benefit to the school is so remote as to be negligible. The institution retains the right to refuse gifts in any form, which are deemed inappropriate to its purposes.

All information obtained from or about donors or prospects shall be held in strictest confidence by the School. Neither the name, the amount nor the conditions of any gift shall be published without the approval of the donor and/or the beneficiary.

PLANNED GIVING PROGRAM – THE HEART OF HOBAN SOCIETY

The Heart of Hoban Society honors all planned giving donors for their support of our mission. Heart of Hoban Society members have:

- Provided for Archbishop Hoban High School in their will or trust.
- Designated Archbishop Hoban High School as the beneficiary of a qualified retirement plan, savings bond, bank account, or life insurance policy.
- Created a planned gift that returns fixed or flexible income to themselves or others.

The Advancement Office will be responsible for reviewing initial documentation for all planned gifts, which benefit the School, including wills and bequests. An estate gift is not legally valid unless the intended charity is able to accept it. The Advancement staff is responsible for advising the Office of the President on the merits/hazards of accepting any gift. Thus, the Advancement staff must be prepared to counsel the Office of the President before any legal documentation is signed.

It shall be the policy of the school to offer through the Planned Giving Program an opportunity for donors to make gifts in the following forms:

- Gifts by will
- Gifts of a remainder interest -- including charitable remainder unitrust; charitable remainder annuity trust; and the gift of one's personal residence or farm with retained life estate
- Other gifts -- including life insurance policies, charitable lead (income) trusts, revocable trusts, and gifts of an undivided interest in property

Generally, the types of gifts listed below must meet the minimum of \$10,000 or more and the donor must be age 72 or older.

- a. Charitable Remainder Unitrusts and Annuity Trusts
- b. Revocable Charitable Remainder Trusts
- c. Gift of Residence or Farm with Retained Life Estate.
- d. Charitable Gift Annuities and Deferred Payment Gift Annuities

Each of these types of gifts are unique and will be reviewed by the Gift Committee, Business Office, Office of the President and possibly by outside legal counsel based on the complexity of the gift before being accepted.

This program shall be designed to supplement and enhance all other fundraising programs of the institution by:

- Encouraging estate planning through the preparation of wills, which can provide for outright bequests, annuity for life income provisions for other beneficiaries, and additions to agreements and trusts, which qualify for deduction or exemption under existing tax laws.
- Offering donors the opportunity to establish a permanent memorial in one's own name or for another.
- Offering donors the opportunity for life income gifts, which will enable them to retain the income from their capital.
- Offering donors the opportunity to make a larger gift during their lifetime than could be made without income retention.
- Offering donors the opportunity to provide income for life for a survivor.

It is the policy of Archbishop Hoban School that, in the case of life insurance policies in force on benefactors that build cash value, at any point before the death(s) of the insured the institution may recommend the surrender the policy for its cash value in lieu of the death benefit. The Gift Committee must receive approval of the Board of Directors to make such a surrender.

The Office of the President may authorize staff members to negotiate with any potential donor gift annuities and life income agreements and trusts. Other agreements which are binding on the institution and which do not follow these guidelines shall receive the approval of the Board of Directors. All agreements, which are binding on the school, shall be subject to legal review prior to acceptance.