

Brunswick School

Gift Acceptance Policies

Introduction & Purpose

Introduction

Brunswick School, a not-for-profit organization organized under the laws of the State of Connecticut, encourages the solicitation and acceptance of gifts for purposes that will help the School to further and fulfill its mission.

These policies set forth the terms, conditions, procedures and protocols for soliciting, accepting, recording and acknowledging donors of gifts to the School or any of its programs.

Adherence to these policies is intended to achieve the following objectives:

- Assure complete, accurate and consistent reporting of gifts and pledges;
- Comply with Internal Revenue Service regulations and acceptable business practices;
- Encourage donors to make the largest gifts possible, in forms that are the most advantageous for them;
- Protect the School's reputation and tax exempt status;
- Guide the Development Office staff and all other persons involved in soliciting, documenting, administering, and acknowledging gifts made for the benefit of Brunswick School; and
- Uphold ethical giving standards and avoid real or perceived conflicts of interest.

Purpose

These policies are essential to assure that:

- Donors find the process of giving easy, understandable, and consistent;
- Gifts are appropriate to the mission and priorities of the School;
- No gifts impose unanticipated financial burdens on the School; and

- If gifts are restricted or intended for long-term use, that they are donated and received according to reasonably broad and flexible terms, to maximize their usefulness to the School.

Capital Campaigns

Guidelines

- Capital Campaigns will be conducted under the leadership of the Board of Trustees; the Development Committee of the Board of Trustees will plan and administer the Campaign and will provide its fundraising leadership and day to day oversight.
- The period of intensive fundraising will be 60% of the preliminary “working” goal during the silent phase, and the Board of Trustees may increase this goal before the public announcement.
- Only those gifts given either on an unrestricted basis or specifically in support the Campaign may be credited toward the Campaign goal.
- Personal solicitations conducted by key volunteers will be directed essentially to prospects believed capable of contributing \$25,000 or more.
- Gifts will be sought in all forms; cash and securities, real property and personal property. Other giving vehicles such as trusts and life income agreements, life insurance and bequests will be accepted and counted toward the campaign goal with the approval of the Development Committee of the Board of Trustees
- Deferred gifts will be given Campaign credit only if they are given in support of campaign objectives.
- Three-year pledges will be encouraged; five-year plus pledges will be considered in special circumstances. Gifts which are payable within five years of the date of the pledge will be credited at full face value on the date of the gift.
- Bequest intentions will be credited toward the planned gift component of the Campaign goal. Realized bequests will be credited to the Campaign if they are unrestricted or if they may be used in support of campaign objectives.
- Brunswick School’s Annual Giving Program will be maintained throughout a Campaign; annual giving receipts will be accounted for separately and may be counted toward the Campaign goal.

Gift Solicitation

Guidelines

Responsibilities of the Development Office

- Managing the process of solicitations by all authorized parties, including maintaining visit reports and prospect information.
- Preparing appropriate gift and pledge forms and endowment agreements, to assure that gifts are properly recorded and valued in the School's donor database.
- Acknowledging and thanking donors in ways that meet IRS requirements and reflect the School's gratitude for gifts received.
- Transmitting gifts to and reconciling reports with the Business Office in a timely, complete, and accurate fashion.
- Disseminating to appropriate parties, implementing, and enforcing these Gift Acceptance Policies.

Coordination of solicitations

The Development Office establishes the calendar of fundraising activities, so as to avoid overlapping solicitations of donors and to maximize the potential for success in each endeavor.

In-house solicitations: No broad-based solicitation of funds should be undertaken by any department, class, team, club, or individual without the prior approval of the Headmaster or that person's designee. The Headmaster may authorize the Executive Director of Development to approve or disapprove a fundraising project based on established fundraising priorities for the School. In cases where the level of priority for a project is not clear, the Headmaster or Executive Director of Development will consult with the Chair of the Development Committee.

External contacts: No agent or representative of the School may solicit a prospect—whether an individual, foundation, corporation, federation, association, or other donative or grant-making entity—without prior knowledge and approval from the Headmaster or his/her authorized designee.

Use of Personal Advisors

The School will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to gifts that have significant tax or estate planning consequences. When asked, the School will put the donor in touch with Neal P. Myerberg, of Myerberg Philanthropic Advisors.

Record Keeping

Information regarding donor records, lists of donors, and other such materials is maintained by the Development Office. Gift records at Brunswick School are confidential, and may be disclosed only with the authorization of the Headmaster, his/her designated representative, or Development staff member. Requests for access to this information from the Headmaster, Chair of the Board of Trustees, Chair of the Development Committee, and Assistant Headmaster Director of Finance, as well as School auditors and counsel, are exempt from this formal approval process.

Gifts Accepted & Valuations

Outright gifts

Brunswick School accepts cash, checks, and credit cards at face value. Publicly traded securities are also accepted, managed in compliance with the School's financial policies, and valued in compliance with existing laws and Internal Revenue Service regulations.

Matching gifts

Cash gifts received from organizations or corporations to match gifts from individuals who are associated with that organization will be credited to the company, with soft credit to the individual donor's record. Unless explicitly prohibited by the matching organization, these funds will be allocated to the same purpose as the individual donor's gift.

Gifts in Kind

Gifts of tangible personal property (books, equipment, art, etc.) will be accepted on a case-by-case basis. Such are especially welcomed if they offset a budgeted expense or can be sold. (See section below on tangible personal property.)

Gifts of professional services will be accepted, and credited with an assigned dollar value only if they offset a planned expenditure.

Pledges

Pledges to the Annual Fund are typically payable within the same fiscal year that they are committed. However, a donor may make an Annual Fund pledge payable over many years (typically up to five years); in this case the amount paid each year is credited to that year's Annual Fund campaign. Annual Fund pledges that are not fulfilled in the specified time period are either renegotiated or removed from pledge records.

Payments for multi-year pledges for any purpose normally will not be accepted over more than five years. Exceptions for very large or unusual gifts may be authorized by the Gift Acceptance Committee (see Authorizations, page 5). The value of pledges extending beyond five years may be discounted for accounting and donor recognition purposes, in accordance with CASE Management Reporting Standards.

Gifts requiring review & Board approval

The School may also accept real property, closely held securities, or tangible personal property for which the donor claims a value exceeding \$5,000, after review by the Gift Acceptance Committee.

Real Estate

The fair market value of real estate must be determined by an independent appraisal obtained by the donor, and may also be appraised separately by the School. Property must have a “clear and marketable” title. Easements and/or restrictions must be disclosed, and acceptable to Brunswick School.

Closely held securities

Any restrictions sought by a donor on the disposition by the School of closely held securities must receive specific approval of the Gift Acceptance Committee.

Tangible personal property

Gifts of tangible personal property valued at \$5,000 or more (e.g., jewelry, coin collections, etc.) require an independent appraisal of fair market value, which is obtained by the donor. The School will follow IRS-mandated procedures for reporting such gifts, and any resale within two years. Gifts that would cause significant facilities and installation issues must have the input of the Headmaster and Assistant Headmaster Director of Finance. The School reserves the right to dispose of such gifts at any time unless otherwise agreed with the donor.

Honor or Memorial Gifts

Gifts in honor or memory of someone will be accepted, for purposes defined by the donor or the decedent’s family in collaboration with the School. The School will periodically send a notice to the honoree or a family representative noting the names of the donors but not listing the amount of their gifts. Unless otherwise restricted by the donor, the total of honor and memorial gifts given in one fiscal year will be allocated by the Board to the School’s Annual Fund, a Board-designated endowment, or the building fund.

Planned Giving

Planned Giving/ Gifts with Future interest

Overview

In the case of future gifts (such as bequest expectancies, life income gifts, retirement plan assets, or life insurance); valuation is determined by the CASE Management Reporting Standards. The legal name of the School is “Brunswick School, Inc,”

Inquiries regarding will provisions should be directed to the Development Office. Alumni and friends should be encouraged to inform the School when they make a provision in their wills for the School.

Bequest expectancies may be counted toward fundraising goals when accompanied by proper documentation. Those from donors who are at least 80 years old will be valued and recognized at full face value. Donors younger than 80 years of age will be recognized for the full value of their future gift, but that amount credited toward campaign goals will be discounted according to the donor’s actuarial life expectancy.

Donors will also be encouraged to name the School as beneficiary or contingent beneficiary of a life insurance policy or retirement account. Such designations shall not be recorded as gifts until such time as the gift is irrevocable, at which time the present value of that gift may be recorded.

Gifts of life insurance may be gifted to the School as beneficiary and irrevocable owner. If any premiums are still owing, the donor can agree to pay them via a cash contribution to the School in the amount of the premium. If the donor elects not to continue to make gifts to cover premium payments on the life insurance policy, the School may, at its discretion: continue to pay the premiums; convert the policy to paid up insurance; or surrender the policy for its current cash value.

The School is an eligible beneficiary of charitable life income gifts (trusts, annuities, etc). However, the donor must engage a trustee (such as himself, a bank, a community foundation, or similar financial institution) to manage the funds, since the School does not serve as trustee. It is important that the staff work with the donor and donor’s counsel to insure that the School will be able to carry out the donor’s wishes.

Unless otherwise restricted by the donor, gifts of future interest will be designated by the Board of Trustees upon receipt for either a Board-designated endowment fund or for building purposes, so as to enhance the School’s assets.

Types of Planned Gifts

Cash or equivalent contributions

- Outright gifts of cash (but not contribution income from CRTs or CGAs or payments on pledges)
- Legacies and bequests (including liquidation of trusts and bequests received)
- Pledges (including lead trusts)
- Testamentary pledges
- Gifts of unusual and non-cash assets (such as those requiring appraisals – real estate; art; closely held stock, partnership interests, etc.)

Irrevocable life income gifts – all split interest gifts where the charity designation is irrevocable including

- Charitable remainder trusts
- Charitable gift annuities
- Other irrevocable gifts such as retained life estates in residences.

Documented commitments all revocable gifts such as

- Documented bequest commitments
- Designations in qualified retirement plans
- Revocable trust beneficiary designations (all subdivided further into specified and unspecified amounts).

Rules for counting planned gifts:

- When given a range of numbers for the value of a future gift, take the conservative approach and use the lowest number in the range.
- If named as a contingent beneficiary, assign the gift a zero value.
- Legacies, bequests, and other revocable contingencies with unknown specific amounts (including a percentage bequest) are assigned a value each year which represents the average bequest received from the past three fiscal years.
- Legacies, bequests, and other revocable contingencies with known specific amounts are counted at full anticipated values.
- Charitable remainder trusts with an irrevocable remainder beneficiary are counted at the full value of the contribution to the trust.

- Life insurance policies are assigned the face value of the policy (i.e., the death benefit).
- Charitable remainder trusts with revocable charitable beneficiaries (i.e., where the donor reserves the right to substitute charities) are included as known expectancies and are counted at full value (or recounted at new values if updated numbers are provide annually by the trustee).
- Lifetime pledges are assigned the multiple of the annual amount multiplied by the factor representing the donor's life expectancy.
- Charitable lead annuity trusts are assigned the multiple of the annual distributions to the charity times the term of years of the trust (or the donor's life expectancy if the trust is so measured).
- Charitable gift annuities are counted at full contribution value.
- Gifts of retained life estates in residences are counted at the full fair market value of the property when the deed is executed.

Authorizations

Gift Acceptance Committee

A Gift Acceptance Committee will make recommendations to the Board of Trustees regarding acceptance of specific gifts and the interpretation of these gift policies. It will be comprised of the following: the Headmaster; the Executive Director of Development; the Assistant Headmaster Director of Finance; the Chair of the Development Committee; and the Chair of the Board of Trustees. Representatives from other elements of the School (e.g., faculty, administration, trustees, etc.) and outside legal counsel may be consulted as appropriate, depending upon the purpose and nature of the gift. The Executive Director of Development serves as staff for this committee, and is responsible for assuring the implementation of its directives. The Gift Acceptance Committee will make an annual report to the Board of all situations it has discussed during the prior year.

The Gift Acceptance Committee will review gifts whenever any aspect of the gift appears to be potentially inconsistent with these policies. The Committee has the authority to develop the school's negotiation stance with a prospective donor, and in extreme cases, may recommend that the Board decline to accept a gift if its conditions are burdensome. If the Committee cannot resolve a procedural or policy issue regarding a gift, the decision will be referred to the Executive Committee for recommendation to the Board.

Anyone can bring a problematic gift to this committee. Examples of problematic gifts related to the gift's purpose are:

- Offers to provide start-up funding or endow courses, programs, or initiatives that are not academic or extracurricular priorities;
- Offers to build or change facilities in ways that are not academic, extracurricular or administrative priorities; or
- Gifts with unacceptable restrictions. A proposed endowed scholarship could be restricted to individuals meeting an unusual set of criteria, for example, making it unlikely to be awarded on a regular basis or inconsistent with the School's financial aid policies.

Proffered gifts may also be problematic due to the nature of the asset or how it can be used. Some examples may be:

- Gifts of unmarketable securities;
- Tangible personal property with restrictions on its use;
- Gifts given with "matching" requirements; or

- Desire to begin a program or a construction project with insufficient funds to complete it.

Factors which the Committee should consider include (but are not limited to):

- The charitable intent of the donor, and ultimate benefit to the School
- The nature of any restrictions
- The permanency of the gift
- The administrative costs of managing the gift asset
- Potential for actual or perceived conflict of interest
- Consistency with the mission, vision, bylaws, and policies of the School

Brunswick School has the right to decline any gifts from donors whose reputation, mission, values, or programs are inconsistent with or may appear to be inconsistent with the reputation, mission, values, or programs of the School. Any such gifts will be vetted by the Gift Acceptance Policy Committee.

Gift Purposes & Documentation

Written documentation of gifts and pledges

Recordable gifts require written documentation before being recorded in the donor database. For outright gifts or multi-year pledges, documentation usually will consist of a signed and dated pledge form

Alternative forms of documentations

In lieu of a standard gift or pledge form, gifts to the School may be recorded relying on an alternative form of documentation. Examples of acceptable alternative forms of documentation include, but are not limited to, the following:

- Deeds or other legal forms of conveyance or assignment;
- Insurance policies with express provisions for conveyance or assignment;
- Completed wills, excerpts therefrom, a written statement, or executed bequests demonstrating a clear and unambiguous intention;
- Irrevocable trust agreements in which Brunswick School is named as beneficiary.

Restrictions on Gifts

- The School accepts all gifts that fit its mission and purposes.
- All restricted gifts require a signed statement of agreement between the donor and the Headmaster.
- If a donor wishes to make a restricted gift (especially for an endowed fund) for a program that is not among the School's priorities, or the restrictions will place an undue burden on the staff for managing the funds or the program, it must be reviewed by the Gift Acceptance Committee.
- If that committee deems it ultimately desirable to accept the gift, the gift agreement must include language giving the School reasonable flexibility to redirect the funds to a related purpose should circumstances change that make the program no longer practical or desirable.

Gift Recording & Acknowledgement

Policies

IRS Compliance

All gifts, pledges, bequests and other charitable distributions to Brunswick School will be recorded and acknowledged in compliance with Internal Revenue Service regulations and acceptable gift accounting practices.

Acknowledgments

All donors to Brunswick School will be properly acknowledged and thanked for their generosity, with receipts that include the date of gift, amount, and purpose of the gift.

All gifts must be acknowledged in a timely manner, typically within one week of the receipt of the gift or pledge. To ensure prompt acknowledgment, solicitors will be urged to report all gifts and pledges to the Development Office at the time they are obtained.

The following are the guidelines for gift acknowledgment:

- All gifts will be acknowledged Headmaster. In some cases these gifts may be acknowledged by the Board Chair and the solicitor.
- Only signed commitments or outright gifts of cash or securities will be recognized.
- Signed pledge forms, letters of intent in which the size, purpose, and terms of the gift are clearly set forth, are required for all gifts greater than \$25,000.

Endowed Funds Policies

Endowed funds can be established at Brunswick School on either an outright or a deferred basis. An endowed fund is considered to be a permanently maintained fund that is part of the general endowment of the School and can only be created with aggregated gifts of \$100,000 or more. The fund principal is invested "in perpetuity" and a portion of the earnings, based on the spending policy approved by the Brunswick School Board of Trustees, is available for support of School programs or projects.

The endowed fund will carry a name agreed upon by Brunswick School and the donor at the inception of the fund. All details regarding the establishment of the fund and the purpose of the fund shall be worked out at the inception cooperatively between the donor and Brunswick School.

The Development Office will inform donors of endowment funds that they are invested in an aggregate basis as part of the general endowment and that the income available

for each fund is the actual pro-rata income earned by the general endowment during the year.

Endowments may take the following forms

- Unrestricted Endowment: a permanent fund from which earnings may be expended at the School's discretion
- Restricted Endowment: a permanent fund from which earnings may be expended only for a specific, donor designated purpose, such as faculty salaries or scholarships

All endowed funds will use the current "spending rate" authorized by the Board of Trustees for a given fiscal year. Brunswick School's current spending rate is 4% of the rolling 3-year average market value of the investment. In the case of pledges to an endowed fund, distributions for the donor designated purpose will begin one year after the final pledge payment is made. No distributions will be made from any fund within the endowment until at least one year after it has received the minimum amount required.

Naming Opportunities

The naming of components of the physical plant (whether for gifts for new or renovated space) will require payment of 50% of the total pledge and the approval of the Board of Trustees.

Anonymity

A donor's request that his or her gifts be anonymous will be honored.

Donor stewardship and recognition

The School's stewardship and recognition practices will be developed and reviewed periodically, and adjusted as necessary, by the Development Committee of the Board of Trustees.

Limitation of Liability

In order to protect the School, no representative of Brunswick School should offer legal, tax or accounting advice to any potential donor in connection with making a charitable gift. As a matter of course, the donor should be advised to seek the advice of his or her attorney and accountant with respect to the appropriate tax compliances required for any charitable gift contemplated.

Naming Policy

Naming and Renaming Facilities, Positions, and Programs

Definitions

- For purposes of naming Brunswick School facilities, "facilities" are defined as campuses, buildings, areas, or rooms within buildings, streets, courts, athletic fields, etc.
- For purposes of naming Brunswick School programs, "programs" are defined as credit or non-credit curricula, administrative units, or the cultural or civic activities of Brunswick.
- For purposes of naming Brunswick School positions, "positions" are defined as faculty or staff titles. Positions may include endowed chairs.
- For purposes of naming Brunswick School facilities, positions or programs, "permanent" is defined as the life or existence of the named facilities, positions, or programs, absent any exceptional circumstances.

Policy

The Board of Trustees Development Committee has the final responsibility for the permanent naming and renaming of any facility, position, or program at Brunswick School for a person or entity.

Guidelines for Naming

The final responsibility for naming any facility, position, or program at Brunswick School for a person or entity rests with the Board of Trustees Development Committee and must follow established administrative procedures. Brunswick School guidelines have been designed for use in naming opportunities in recognition of financial gifts to the Brunswick School. However, the Development Committee shall consider all relevant circumstances, and it reserves the right to determine naming rights on a case-by-case basis regardless of these guidelines.

An acceptable purpose for naming facilities, positions, or programs for persons or entities is to honor living or deceased persons who meet one or more of the following criteria:

- A former Board of Trustee member who has made an outstanding contribution.
- A former employee who has made an outstanding contribution.

- A citizen or entity who has made a substantial monetary or personal service contribution.

Procedures

Individuals or groups inside or outside Brunswick may initiate a request to name a facility, position, or program of Brunswick.

The permanent naming of any facility, position, or program for a person or entity must be formally approved by Brunswick's Board of Trustees Development Committee and meet the policy conditions established by the Board. The Headmaster will submit the request to name a campus, facility, position, or program for an individual or entity to the Executive Committee of the Board of Trustees. If approved by the Executive Committee, the proposal will be submitted to the entire Board for final action.

Guidelines for Renaming

At the request of the Headmaster and with the approval of the development committee, Brunswick School may rename a facility based on any of the following conditions and circumstances:

- If a currently named facility is demolished, the replacement facility presents a new naming opportunity.
- If a currently named facility is substantially modified, expanded, renovated, and/or re-purposed, the facility may be renamed.
- If a donor for whom a facility is named fails to fulfill a financial commitment to Brunswick, the Board may remove his/ her name, and the facility may be renamed.
- If a donor's reputation changes substantially so that the continued use of the name may compromise the public trust, bring dishonor to Brunswick School, or be contrary to the best interests of the Brunswick, the Board reserves the right to revoke the name, and the facility may be renamed. Brunswick School would have no financial responsibility for returning any received contributions.

In the case of a facility being demolished or being substantially modified, Brunswick School may offer the original naming donor an opportunity to retain naming rights by making a gift at the requisite level. If a facility is renamed, Brunswick School may choose to recognize the previous facility name with a plaque and/or by naming a space in the renamed facility.

Appendix

Definitions of Terms

Acknowledgment letter

A written expression of gratitude for a contribution sent by the School to the donor that complies with IRS requirements for the type of gift received.

Annual Fund

The organized effort by the School to obtain unrestricted gifts on a yearly basis to support current programs.

Annual giving program

All gifts, whether restricted or unrestricted, for current programs.

Bequest expectancy

A gift promised through a will.

Bequest realization

A gift received through a will, following the donor's death.

Board-Designated Endowment (also called “Quasi-endowment” or “Funds functioning as endowment”)

A fund set aside by the Board (either restricted or unrestricted as to purpose) for which the principal is invested, and only the earnings (or a portion thereof) are expended annually. Future boards can remove this restriction on a fund.

Budget Augmentation

Current operating funds (whether gifts or grants) received for purposes outside a given fiscal year's board-authorized operating budget.

Budget Relief

Gifts for current operations or specific line items in a given year's board-approved operating budget.

CASE

Council for the Advancement and Support of Education, a national organization that creates and periodically updates gift reporting standards for educational institutions.

Case for support

A written statement of the reasons why an organization merits contributed support, including its mission, vision, resources, number and type of clients served, potential for greater services, and future plans.

Endowment

A donor-designated fund (either restricted or unrestricted as to purpose) for which the principal is invested in perpetuity, and only the earnings (or a portion thereof, as determined by the Board's policies on endowment management) are expended annually.

Gift

A voluntary, irrevocable transfer of cash or other assets to Brunswick School for which no goods or services are received in return. Types of gifts include:

Unrestricted Gift: One in which no restrictions are imposed by the donor on its use.

Restricted Gift: One in which the donor imposes restrictions (e.g., on its use, or how it is expended). Undue or burdensome restrictions may require that the School decline a restricted gift.

Major Gift: A single gift or pledge of \$10,000 or more from any source.

Matching Gift: A gift (usually from a donor's employer, though occasionally from a donors' trust) which is stimulated by an individual's own gift to the school. If the matching entity concurs, the matching gift will follow the donor's intention with the original gift. At Brunswick School, matches will be counted toward gift society memberships if received within the same fiscal year.

Planned Gift: A commitment established during a donor's lifetime, but whose principal benefits usually don't accrue to Brunswick School until some future time. Such gifts may provide additional tax and current-income benefits to the donor during his or her lifetime. Charitable gift annuities, gifts of insurance, trusts, and other commitments through estate plans are typically referred to as planned gifts.

In-kind gift: A non-cash gift of tangible property. Examples might include equipment, art, books, or collectibles.

Grant

A sum of money from a foundation, corporation, or government agency. Usually a grant is for a specific purpose, for a defined period of time, and delineated by a formal agreement between the School and the donor. Grants usually are subject to reporting requirements by the grantor.

Pledge

A signed and dated commitment to make a gift over a specified period, payable according to terms set up by the donor and accepted by the School.