

The American School in London

Gift Acceptance policies

The current version of any policy, procedure, protocol or guideline is the version held on the ASL website. It is the responsibility of all employees to ensure that they are following the most up-to-date version.

Responsible party	Director of Advancement
Approved by	Board of Trustees
Responsible board committee	Advancement
Approval date	January 2025

The American School in London (ASL) benefits greatly from the generosity of our community. Gifts are actively sought to support the operating budget (Annual Fund), to enhance the facilities, campus and programs of the School, and to increase the endowment. The following guidelines exist to provide the best possible stewardship of these important gifts, ensure equity in the treatment of the donors and implement best practices in the acceptance, processing and recognition of contributions.

The School will seriously consider all gifts offered to ASL. All accepted gifts will be in accordance with the mission of the School.

Roles and responsibilities

All fund-raising programs and gift-acceptance policies are developed by the director of advancement in conjunction with appropriate members of the advancement office, the Advancement Committee and the Head of School. The director of advancement is responsible for the day-to-day implementation of these programs and policies. The policies are to be reviewed by the Board of Trustees on a regular basis but no less than every three years.

Gift Acceptance Group

The Gift Acceptance Group exists to determine if certain gifts should be accepted and on occasion, deaccessioned. The Group may be called upon to review situations such as:

- a) Acceptance of non-cash gifts,
- b) Potential new endowed funds that fall outside of the five existing endowment

- categories,
- c) Funds for a project not currently identified as a priority of the School,
 - d) Gifts funded through a questionable source that might compromise the reputation of the School,
 - e) Gifts whose timing may be mistakenly connected or thought to have influence on a decision such as admissions or discipline,
 - f) Deaccessioning objects no longer of service to the School, or
 - g) Combining or closing named funds with balances lower than the recommended minimum

Members of the Group shall include the Head of School, director of advancement, director of finance, Advancement Committee chair and one additional member of the Board of Trustees. The Gift Acceptance Group may consult with employees whose programs might benefit from the proposed gift. They will meet on an as-needed basis when there is concern about the appropriateness of a gift to the mission of the School, the cost of maintenance, or other issues that cast doubt on the benefits of accepting the gift. The Group will review such issues prior to acceptance of the gift.

From time to time, it may be necessary to pare down the collected objects gifted to the School. The Gift Acceptance Group may also be convened to manage this deaccession. ASL will follow HM Revenue and Customs regulations in connection with disposing of gifts and filing of appropriate tax reporting forms.

Basic gift acceptance guidelines

- a) Gifts will generally be accepted so long as they enhance the mission of the School, have proper documentation, are in accordance with applicable law, and prove to be more of a benefit to the School than an actual or contingent cost.
- b) Gifts to ASL must not involve unlawful discrimination based upon race, creed, national origin, gender, sexual orientation or disability.
- c) Gifts received in a currency other than pounds sterling (£), including US dollars, will be credited to the donor at the conversion rate on the date the gift (or title to the gift) is received by ASL. Donor gift receipts for tax purposes will be in GBP.

Gift agreement

A formal document signed by the donor(s) and the School is important in solidifying the donor intent and assisting with memorializing the gift. This gift agreement should be used when possible to document restricted gifts and all newly established endowed funds. Signed by the donor, the Head of School and the director of advancement, the agreement should include the following:

- a) Purpose of the gift
- b) Payment terms and any amount already given
- c) A clause allowing the name of any named fund or named space to be changed should the donor name bring disrepute to the School

d) Recognition plans

In addition to the above, gift agreements for newly established endowment funds should also include the following:

- a. An understanding that the principal of an endowment fund can be comingled with other endowments for purposes of investment and that the fund will be governed by general endowment investment and disbursement policies established by the Board of Trustees; and
- b. An understanding that the principal of an endowment fund can be comingled with other endowments for purposes of investment and that the fund will be governed by general endowment investment and disbursement policies established by the Board of Trustees; and
- c. The type of endowment (for example restricted, expendable or permanent) and when appropriate, the estimated timeframe during which the principal of an expendable fund will be spent down.

Inclusion of the following statements:

- d. In the future, should conditions change so that in the opinion of the Board of Trustees, it is no longer feasible to provide an expenditure as outlined in this agreement, the Board of Trustees shall utilize the fund's income for purposes that, in its opinion, most closely fulfill the intentions of the donor(s). In the name of good stewardship, all effort will be made to communicate these changes with the donor or their heirs.
- e. It is the intent of the donor that this endowment fund and its income can be transferred to or used for the benefit of any or all of ASL: American School in London Foundation, The American School in London Foundation (UK) Limited, or The American School in London Educational Trust Limited
- f. The School (Board of Trustees) shall have the right to expend the fund's principal only in an extreme emergency that threatens the existence of ASL and only with a pledge to treat that expenditure as a repayable loan
- g. Income from this endowment fund does not increase the annual operating budget related to the donor's area of interest.

Categories of acceptable gifts

Cash

The School is able to accept cash and checks denominated in British pounds sterling or US dollars.

Securities

Gifts made in shares or securities are gratefully accepted and may qualify for tax relief if they adhere to the following conditions:

- a) shares or securities that are listed on any recognized stock exchange—this includes London and PLUS listed in the UK and any recognized overseas stock exchange

- b) shares and securities traded on any designated market in the UK—the only markets so designated currently are the Alternative Investment Market (AIM) of the London Stock Exchange and the PLUS—Quoted market of PLUS Markets.
- c) units in an authorized unit trust (AUT)
- d) shares in a UK open-ended investment company (OEIC)
- e) holdings in certain foreign collective investment schemes—generally schemes set up outside the UK that are similar to AUTs and OEICs

Real estate

- a) ASL may accept an outright gift of real estate (i.e., a residence, commercial property, etc.) or a remainder interest in a property provided that the value is significantly in excess of any mortgage.
- b) The donor will be responsible for obtaining and paying for (1) proof of title, (2) an independent appraisal, acceptable to ASL, of the fair market value, (3) an environmental audit of the property if deemed necessary by the School.
- c) ASL retains the right to request a survey and will choose the individual or organization that will provide the environmental audit.
- d) Prior to acceptance, an independent local real estate professional selected by the School may conduct a visual inspection.
- e) For gifts of real estate in which the donor retains the right to the use of the property during the donor's lifetime, the life tenant must bear all normal expenses, such as real estate taxes, maintenance and comprehensive insurance.
- f) For donation, crediting and accounting purposes, in the case of an outright gift, the value of the gift will be the fair market value as established by the appraisal.

Life insurance

- a) ASL will accept a life insurance policy as a gift only when ASL is named as the owner and irrevocable beneficiary of the policy.
- b) If the policy is not fully paid, ASL's acceptance of the policy is conditioned upon the donor's pledge to make gifts to the School each year in the amount of the annual premiums (to be paid directly by the School).

Tangible personal property/gifts in kind

- a) Gifts of jewelry, artwork, antiques, collections and other personal property should first be reviewed by members of the Gift Acceptance Group before being accepted. Proof of ownership documentation (bill of sale, insurance/appraisal, etc.) may be required.
- b) The donor will be responsible for obtaining and paying for an independent, qualified appraisal of the property's fair market value if an audit is necessary.
- c) ASL will sell such tangible property for the benefit of the School unless the object is deemed to have an educational purpose related to the mission of the School, i.e., such as books for the libraries, musical instruments, etc.

Estate and legacy/gifts

- a. Pecuniary gift: a bequest of a specific amount left in the donor's will
- b. Residuary gift: a bequest of the remainder of an estate, left to the School in the donor's will after the other beneficiaries have been provided for
- c. Specific request: a named item, such as an artwork, will be accepted by ASL based on the provisions stated above
- d. Contingent benefit: ASL will accept legacy gifts with contingencies with the approval of the Gift Acceptance Group.

Recognition of legacy gifts

- a) Donors who make gifts to ASL through their estate or similar deferred methods, will automatically become a member of the Bruce House Society, which exists to recognize donors who make plans to support ASL through their estate.
- b) On receipt of written intent, donors who document plans to give a future gift to ASL will become members of the Bruce House Society.
- c) Generally accepted guidelines published by The Planned Giving Council and/or similar associations in the UK will be used as the standard for valuing these gifts in campaign and year-end gift totals.

Naming guidelines

- a) The naming of a school facility requires the approval of the Board of Trustees.
- b) Donor recognition programs for new and existing spaces are developed by the advancement office in coordination with the Head of School and members of the Advancement Committee. The levels required for naming may be adjusted over time but the following guidelines should be adhered to unless an exception is made at the discretion of the Head of School and board chair.
- c) Naming a facility, space or program requires gifts of £500,000 or more and should be 50% paid before the recognition is implemented.
- d) To name a school facility, the value of the donation should normally meet a minimum of 50% of the estimated cost of the facility. However, an amount ranging from 35% to 70% may be considered appropriate depending on circumstances. A more flexible approach may be appropriate to name existing buildings and facilities, but the estimated current value of that building will provide an appropriate starting point for the above percentage guidelines.
- e) A school facility or building may be named for a time period of no more than 50 years, and typically in a range between 25 and 50 years. If appropriate and possible, after that period has expired the donor will be given the opportunity to renew their gift for the prolongation of the naming for another agreed period. In exceptional cases, the Head of School and Board Chair may consider that the strength of the brand and reputational benefit of the existing naming justifies a continuation of the naming with no further gift support.
- f) Both the donor and the school may reserve the right to revoke a particular naming, particularly in the unlikely development of reputational risk to continued mutual affiliation. In these highly unlikely circumstances, the School has no financial obligation to return any received contributions to the donor. Where the School wishes to revoke

an existing naming recognition, a case to revoke will be prepared by the advancement office. This will be reviewed by the Gift Acceptance Group which will make a recommendation to the Head of School and board chair, who will make the final decision.

- g) The creation of a named, endowed fund requires a minimum gift of £100,000.
- h) Expendable endowment gifts may be named at the level of £50,000 or more. The corpus may be spent in total, over time, at the discretion of the Head of School in consultation with the director of finance and members of the Gift Acceptance Group.
- i) The placement of recognition or memorial plaques, or other designations of discrete spaces, items, or rooms require gifts of £50,000 or more.
- j) When a donor makes a qualifying pledge and desires to have a named/recognition opportunity, that named/recognition opportunity will be reserved for that person for the duration of the pledge period. If the donor does not fulfill the pledge, the named/recognition opportunity may be offered to another donor.
- k) Multi-year pledges of up to five years are generally acceptable and the payment terms should be outlined in the gift agreement or letter of intent.
- l) Donors shall not control any of the details of construction, furnishings, hiring or any programming related to the facility or program to which the donor gave.

Endowment guidelines

ASL manages five major endowed funds:

- Faculty and Staff Support
- Financial Assistance
- Facilities
- Community Enrichment
- General Support.

Additional endowed funds

The Gift Acceptance Group will review proposed new endowments that fall outside of the five major categories for appropriateness and contribution to the school's mission and long-term plans.

Endowed fund opportunities for giving

While a minimum gift of £100,000 is required to establish a named endowed fund, endowment gifts of lesser amounts are gratefully accepted to supplement ASL's existing endowment funds.

Certain gift opportunities exist that would provide a meaningful and lasting legacy for the school and celebrate the donor or designee of their choosing with specific named endowments. These follow below:

<u><i>An Endowed Fund for the Head of School</i></u>	<u><i>£1,000,000</i></u>
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A portion of the fund's income, as determined by the Board of Trustees' investment policy, will be available to the Head of School as a discretionary fund for the benefit of educational programs.

Departmental Funds £100,000

Designated for support of an academic department or area of teaching

Student Life Funds £100,000

Designated for support of a course of extra-curricular program; can be used to support academic advising, counseling or tutoring

Athletics Funds £100,000

Designated for discretionary use or for a particular sport

Library Funds £100,000

Designated for book and technology acquisition

Campus Maintenance Funds £100,000

Designated for the maintenance of the buildings and grounds

Visiting Scholar Funds £100,000

Designated for costs associated with bringing outside educational expertise to ASL for professional development or academic programs, including art, music and drama

Technology Funds £100,000

For updating equipment, software, supplies and professional development training, allowing ASL to remain at the forefront of education

Refusal of donations

It is of material importance that the School or the Foundation does not accept 'proceeds of crime' and therefore the School and/or the Foundation will refuse any donation where fundraisers, the trustees or the Gift Acceptance Group know or suspect that a donation has been given by a criminal or by someone who has acquired assets from someone formerly engaged in criminal conduct.

The School or the Foundation may also refuse a donation if accepting it could be detrimental to the achievement of the School's or the Foundation's purposes. In these circumstances, the Gift Acceptance Group must weigh the potential detriment of accepting a donation against the benefit of receiving the funds from the donor before making a recommendation to the board.

Examples of situations where a donation may be refused because of detriment include:

- a. Where acceptance would likely lead to the loss of donations from other supporters

- b. Where acceptance would bring the reputation of the School or the Foundation and the School into disrepute
- c. Where acceptance could otherwise affect the ability of the School to operate for the public benefit, including to recruit staff or accept students.

It is also important that the School or the Foundation does not accept gifts where a supporter lacks the capacity to make the donation. If a fundraiser, director or trustee, or the Gift Acceptance Group has reasonable grounds for believing a potential donor lacks capacity to make a decision, then the donation should not be accepted.

Return of donations

It is very difficult under English charity law and regulation to return a donation to a donor once it has been accepted by the School or the Foundation and therefore all necessary due diligence should be conducted prior to acceptance and if there is any question as to the appropriateness of a donation, it should be delayed pending consideration by the board and with appropriate legal advice having been taken. The only circumstances in which the School or the Foundation will return a donation are:

- a. If the specific terms and conditions of the gift provide for its return in particular circumstances
- b. If the board identifies a moral (but not legal obligation) to return a donation and an order is obtained from the Charity Commission authorizing the return of the donation
- c. If it is established that the donor lacked legal capacity at the time of making the donation.