

The Paxton-Buckley-Loda Education Foundation Endowment Fund Gift Acceptance Policy

Revision No. 1 **Adopted:** August 8, 2017

Gift Acceptance Policy Purpose

The following policy provides straightforward guidelines and processes for the governance and acceptance of gifts made to the Paxton-Buckley-Loda Education Foundation (“The Foundation”) for the benefit of its operations, programs or services.

General Provisions

- * Per the initial review of The Foundation’s Endowment Fund Committee (“The EFC”), the acceptance or denial of any gift is at the full discretion of the PBL Education Foundation Board of Trustees.
- *The Foundation will not compensate, whether through commissions, finders’ fees, or other means, any third party for directing a gift or a donor to The Foundation.
- * With respect to anonymous gifts, The Foundation will restrict information about the donor to only those members with a need-to-know including The Foundation Trustees and The Paxton-Buckley-Loda School District Superintendent (“The District”) and The District’s legal and financial advisors. The Endowment Fund Committee will work with anonymous donor with regard to gift announcements, if any.
- * While this document is intended to provide guidance to The Foundation regarding acceptance of gifts, donors are ultimately responsible for ensuring that the proposed gift furthers their own charitable, financial and estate planning goals. The Foundation and its agents will not provide legal or tax advice to donors.
- * Certain gifts including real property, personal property, non-liquid securities and; contributions whose sources are not transparent or whose use is restricted in some manner, must be reviewed by The EFC prior to acceptance.
- * The EFC will provide acknowledgement to donors meeting IRS substantiation requirement for property received by The Foundation as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by The Foundation.
- * The Foundation will not accept gifts that could:
 - result in The Foundation violating its articles of incorporation or bylaws;
 - result in The Foundation losing its status as a 501©(3) nonprofit corporation;
 - be too difficult or too expensive for The Foundation to administer in relation to its value;
 - discourage future giving;
 - compromise any of the core values of The Foundation;
 - damage the reputation of The Foundation;
 - result in any unacceptable consequences for The Foundation.
- *The Foundation will not accept contributions of services and in-kind gifts. The IRS does not allow charitable deductions for gifts of services (only for tangible items), even if the market value of such services can be readily attained.
- * This Endowment Fund Gift Acceptance Policy shall be reviewed by The EFC as necessary and at least annually, prior to The Foundation Annual Meeting. The EFC will provide a timely report of any review(s) to the Foundation Board of Trustees who will vote on any recommended revisions.

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Gifts Generally Accepted Without Review

Cash

Cash gifts are acceptable in any form, including by check, money order, cashier's check, or credit card.

Marketable Securities

Marketable securities may be transferred electronically to The Foundation's endowment account. All marketable securities will be sold promptly upon receipt unless otherwise directed by the EFC. In some cases marketable securities may be restricted (donor's request); in such instances the decision whether to accept the restricted securities shall be made by The EFC.

Bequests & Beneficiary Designations under Revocable Trusts, Life Insurance, Commercial Annuities and Retirement Plans

Donors are encouraged to make bequests to The Foundation under their wills, and to name The Foundation as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.

Charitable Remainder Trusts

The Foundation will accept designation as remainder beneficiary of charitable remainder trusts.

Gifts Accepted Subject to Prior Review

Personal Property

Tangible personal property including but not limited to literary work, works of art, manuscripts, boats, airplanes, may be accepted by The EFC if the gift(s) are found to be readily marketable or needed by The District. If accepted, The EFC will generally sell or otherwise dispose of such gifts. Because the extent of the donor's allowable charitable deduction depends upon the standard of "related use", The Foundation's intention either to resell or retain the gift for related use must be clear to the donor at the time of the gift's acceptance. The Foundation will meet all obligations with respect to IRS forms 8283 and 8282 and send a copy to the donor.

Considerations to accept tangible personal property gifts will include:

- Acceptance of the gift involves significant or unbudgeted additional expense for its present or future use.
- Costs may be incurred by The Foundation with regard to display, maintain, transfer, insure, or other fees.
- Financial or other burdensome technical or service obligations or expenses will be directly or indirectly incurred by The Foundation.
- The gift is made on the condition or expectation that the gift will be loaned back to the donor or to the donor's designee for life or extended periods of time determined by the donor.
- Acceptance of subsequent utilization of the property would result in an "unrelated activity" as defined in unrelated business income tax law.

All personal property gifts will be recorded with The Foundation. However, no monetary value will be stated or recorded. Gifts will be reported at the values placed on them by qualified, independent appraisers as required by the IRS for valuing non-cash charitable contributions. In accordance with IRS regulations, it shall be the donor's responsibility to order and pay for the qualified appraisal.

The EFC shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations:

- Does the property further the organization's mission?
- Is the property marketable?
- Are there any unacceptable restrictions imposed on the property?
- Are there any carrying costs for the property for which the organization may be responsible?

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Life Insurance:

The Foundation will accept gifts of life insurance where the PBL Education Foundation is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.

Real Estate:

All gifts of real estate, are subject to review by EFC. The EFC may require an initial environmental review by a qualified environmental firm.

Criteria for acceptance of gifts of real estate include:

- Is the property useful for The Foundation's purpose?
- Is the property readily marketable?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- Are there carrying costs (including insurance, property taxes, mortgages, notes) or maintenance expenses associated with the property?
- Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

Designated Gifts

Gifts given for a designated use shall be considered and reviewed by The EFC with final decision voted on by The Foundation. Designated gifts shall be for no less than \$100,000.

* Any issues not addressed within this policy will initially be reviewed by The EFC, however, The Foundation will have final authority in all issues not addressed within this policy. Initial reviews will be conducted at the earliest convenience of The EFC.