



GIFT ACCEPTANCE POLICIES AND GUIDELINES

Table of Contents

Introduction	1
Purpose of Policies and Guidelines	2
General Principles	2
Gift Definition	2
Use of Legal Counsel	2
Conflict of Interest	3
Restrictions on Gifts	3
The Gift Acceptance Committee	3
Types of Gifts	3
Cash	4
Tangible Personal Property	4
Securities	4
Real Estate	5
Remainder Interests In Property	6
Oil, Gas, and Mineral Interests	6
Bargain Sales	7
Life Insurance	7
Charitable Gift Annuities	7
Charitable Remainder Trusts	8
Charitable Lead Trusts	8
Retirement Plan Beneficiary Designations	8
Bequests	8
Life Insurance Beneficiary Designations	9

Table of Contents, continued

Miscellaneous Provisions _____	9
Securing appraisals and legal fees _____	9
Valuation of gifts for development purposes _____	9
Responsibility for IRS Filings _____	9
Acknowledgement of gift _____	9
Corporate matching gifts _____	9
Recognition of pledges _____	9
Endowment establishment _____	10
Prospect clearance _____	10
Naming opportunities _____	10
Changes to Gift Acceptance Policies _____	10



GIFT ACCEPTANCE POLICIES AND GUIDELINES

- ✦ “Christian stewardship is the practical realization that everything we have is a gift from God.”
 - United States Catholic Bishops Pastoral Letters

Blessed Fr. William Joseph Chaminade envisioned Marianist educational communities as enduring communities, not just functional and temporary. Additionally, the teachings of Jesus reveal that all blessings come from God, and we have a responsibility to be good stewards of these gifts. Therefore, as a Marianist community, our goal is to manage ourselves responsibly and in accordance with the highest ideals of stewardship, not just for the students of today, but for those of tomorrow as well. This Gift Acceptance Policy was created within the context of this goal.

Chaminade College Preparatory, a nonprofit 501(c)3 corporation organized under the laws of the State of California, encourages the solicitation and acceptance of gifts to Chaminade College Preparatory (hereinafter referred to as the School) for purposes that will help the School to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the School or for the benefit of any of its programs.

THE MISSION OF CHAMINADE COLLEGE PREPARATORY

Chaminade College Preparatory collaborates with the families it serves to provide a challenging Catholic education for young men and women in the Marianist tradition. This tradition, grounded in the values of Jesus, educates the whole person while emphasizing family spirit in a nurturing, caring environment, attentive to the moral, spiritual and religious development of students. Chaminade prepares college-bound students throughout their middle and high school years in a rigorous program of academic excellence. Students from a diversity of cultural, religious and economic backgrounds come together for an active and varied curricular and extracurricular program.

The mission of Chaminade College Preparatory is to form morally aware and academically capable people to be outstanding contributors to the future.

I. Purpose of Policies and Guidelines

The Board of Directors of Chaminade College Preparatory and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of the School. These policies and guidelines govern the acceptance of gifts by the School and provide guidance to prospective donors and their advisors when making gifts to the School. The provisions of these policies shall apply to all gifts received by the School for any of its programs or services.

II. General Principles

- Chaminade College Preparatory reserves the right to refuse or refund any gift that in any way may detract from its mission, character, integrity, or independence.
- Chaminade College Preparatory will only use gifts for the particular purpose designated by the donor or as set forth in related solicitation materials.
- Chaminade College Preparatory shall employ responsible internal procedures to safeguard the donor's privacy and other confidential information.
- Chaminade College Preparatory follows the letter and spirit of all laws and regulations affecting or relating to charitable giving and fund raising activities.

III. Gift Definition

A gift is defined as any transfer of personal or real property made on a voluntary basis and without consideration received in return. A gift is not a payment for goods or services received, nor payment made to directly benefit a pre-selected individual, such as a scholarship for a specific student selected by the payer.

In the case of payments which are part gift and part payment for goods or services, it is the School's policy to include such differentiation in printed materials for events and gift receipts.

IV Use of Legal Counsel

Chaminade College Preparatory shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements
- Documents naming Chaminade College Preparatory as Trustee
- Gifts involving contracts, such as bargain sales or other documents requiring Chaminade College Preparatory to assume an obligation
- Transactions with potential conflict of interest that may invoke IRS sanctions

- Other instances in which use of counsel is deemed appropriate by the Director of Development, President or the Gift Acceptance Committee

V. Conflict of Interest

Chaminade College Preparatory will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting legal, tax and estate planning consequences.

In accordance with professional fundraising standards, the School will not pay finder's fees, commissions or other fees to an independent Gift Planner as a condition for the delivery of a gift.

VI. Restrictions on Gifts

The School will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. Restrictions on gifts are to be clearly detailed in writing by the donor. The School will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the articles of incorporation and by-laws, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the School. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Director of Development, President and/or the Gift Acceptance Committee of the School, depending upon the nature and scope of the gift. Gift Acceptance Committee approval is required of gifts exceeding \$10,000 and those which would have a significant impact on operations of the school.

VII. The Gift Acceptance Committee

This policy establishes a gift acceptance committee to be chaired by the Development Committee Chair and consist of:

- The Board of Directors' Chair of Chaminade College Preparatory
- The Finance Committee Chair of the School, or a designated appointee
- The Development Committee Chair of the School, or a designated appointee
- Such other individuals as may be appointed by the President of the School
- Ex-Officio members shall include the President, Chief Financial Officer and Director of Development for Chaminade College Preparatory

The gift acceptance committee is charged with the implementation of this policy, including responsibility for reviewing all significant and unusual gifts made to Chaminade College Preparatory, properly screening and accepting those gifts, and making recommendations to the President or Board of Directors on gift acceptance issues when appropriate.

VIII. Types of Gifts

A. The following gifts are acceptable:

1. Cash
2. Tangible Personal Property
3. Securities
4. Real Estate
5. Remainder Interests in Property
6. Oil, Gas, and Mineral Interests
7. Bargain Sales
8. Life Insurance
9. Charitable Gift Annuities
10. Charitable Remainder Trusts
11. Charitable Lead Trusts
12. Retirement Plan Beneficiary Designations
13. Bequests
14. Life Insurance Beneficiary Designations

B. The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash is acceptable in any form. Checks shall be made payable to Chaminade College Preparatory and shall be delivered to the School's administrative offices.
2. **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:
 - Does the property fulfill the mission of the School?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?

When deemed appropriate due to the nature of a potential donation of tangible personal property, the President or Director of Development will refer a donation to the Gift Acceptance Committee of the Chaminade College Preparatory for final determination as to acceptance.

3. **Securities:** The School can accept both publicly traded securities and closely held securities.

Publicly Traded Securities: Marketable securities may be transferred to an account maintained by the School with a brokerage firm or delivered physically with the transferor's signature or duly executed stock power attached. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Gift Acceptance Committee of the Chaminade College Preparatory. Marketable securities are assigned a value which is the mean of the high and low prices of the day on which title passes to the School.

Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Gift Acceptance Committee of the School. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent Chaminade College Preparatory from readily converting those assets to cash,
- the security is marketable,
- the security will not generate any undesirable tax consequences for the School, and
- the School does not assume any inappropriate liabilities or loss exposures upon the transfer.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Gift Acceptance Committee of Chaminade College Preparatory with input from legal counsel when deemed necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the School shall require an initial environmental review of the property for potential environmental damage. In the event that the initial inspection reveals a potential problem, the School shall retain a qualified inspection firm to conduct an environmental audit to proceed further. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the School prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Gift Acceptance Committee of the School with input from the School's legal counsel as appropriate. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the School?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there any imminent community developments expected that could significantly alter the value or marketability of the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5. **Remainder Interests In Property**: The School will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4. above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor or primary beneficiary, the School may use the property or reduce it to cash. Where the School receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

6. **Oil, Gas, and Mineral Interests**: The School may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the School's legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas and mineral interests may be accepted in the form of an Overriding Royalty Interest (ORRI) and should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.

- A working interest is never accepted.
- The property should undergo an environmental review to ensure that the School has no current or potential exposure to environmental liability.

7. **Bargain Sales:** Chaminade College Preparatory will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the School. All bargain sales must be reviewed and recommended by the Gift Acceptance Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:

- The School must obtain an independent appraisal substantiating the value of the property.
- If the School assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- The School must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.
- The School must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

8. **Life Insurance:** Chaminade College Preparatory must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the School will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the School may:

- continue to pay the premiums,
- convert the policy to paid up insurance, or
- surrender the policy for its current cash value.

9. **Charitable Gift Annuities** Chaminade College Preparatory may offer charitable gift annuities. The minimum gift for funding is normally \$5,000. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life

income beneficiaries will be permitted for any gift annuity. Generally, annuity payments may be made on a quarterly, semi-annual, or annual schedule.

Chaminade College Preparatory will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. Chaminade College Preparatory may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Gift Acceptance Committee approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the School's unrestricted funds, or to such specific fund as designated by the donor.

10. **Charitable Remainder Trusts** The School may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee of the School. The School will not accept appointment as Trustee of a charitable remainder trust.

11. **Charitable Lead Trusts** The School may accept a designation as income beneficiary of a charitable lead trust. The Board of Chaminade College Preparatory will not accept an appointment as Trustee of a charitable lead trust.

12. **Retirement Plan Beneficiary Designations** Donors and supporters of the school will be encouraged to name the School as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the School until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

13. **Bequests** Donors and supporters of Chaminade College Preparatory will be encouraged to make bequests to the School under their wills and trusts. Such bequests will not be recorded as gifts to the School until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

14. **Life Insurance Beneficiary Designations**: Donors and supporters of the School will be encouraged to name the School as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the School until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

IX. *Miscellaneous Provisions*

- A. **Securing appraisals and legal fees for gifts to the School:** Ordinarily, it will be the responsibility of the donor to secure an appraisal (where required) by a qualified appraiser jointly approved by the school and independent legal counsel for all gifts made to the School.
- B. **Valuation of gifts for development purposes:** The School will record a gift received by the School at its valuation as of the date of gift.
- C. **Responsibility for IRS Filings upon sale of gift items:** The Chief Financial Officer of the School is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the School when the charitable deduction value of the item is more than \$5,000. The School must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.
- D. **Acknowledgement of gift.** Acknowledgements of gifts made to the School and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of the School. IRS Publication 561 ***Determining the Value of Donated Property*** and IRS Publication 526 ***Charitable Contributions*** are attached to these policies as an Appendix.
- E. **Corporate matching gifts:** All matching gifts received by the School as a result of an employee's gift will be directed to the same fund as the donor's gift unless specified otherwise by the donor or contributing corporation.
- F. **Recognition of pledges:** The School will recognize an oral pledge if it is to be paid within the current fiscal year. To be recognized in the School's donor records, long term pledges must be in writing, with the amount, payment terms, and any conditions clearly articulated. Accounting recognition will be in accordance with generally accepted accounting principles.

G. **Endowment establishment.** Due to special management requirements, the minimum gift acceptable to establish a new endowment fund is \$25,000.

H. **Prospect clearance:** Those individuals who wish to solicit funds or property for the benefit of the School must communicate with the Development Office their intention to make an approach to a specific prospect such as individuals, foundations or corporations. This requirement is intended to protect existing relationships between donors and School representatives and to avoid over-solicitation of any individual, foundation or corporation.

I. **Naming opportunities.** The Chaminade College Preparatory Board of Directors has established the following guidelines for "naming" of buildings in recognition of the generosity of individual donors, foundations, and corporations/businesses as well as those individuals who have made significant contributions of merit to the School.

- Naming opportunities for new buildings are generally reserved for donors who make a minimum contribution of \$1,000,000.
- Naming opportunities for facility components (new and existing) are generally reserved for donors who make a minimum contribution of \$25,000.
- Capital campaigns may publish naming opportunities appropriate to the campaign.

All "naming" considerations for capital contributions will be reviewed by the Development Committee and submitted to the Board of Directors for final approval. All "naming" considerations to honor individuals for contributions of merit must be submitted to the President, to be forwarded to the Development Committee for review and final approval.

X. *Changes to Gift Acceptance Policies*

These policies and guidelines have been reviewed and accepted by the Board of Directors of the Chaminade College Preparatory. The Board of Directors of the Chaminade College Preparatory must approve any changes to or deviations from these policies.

Approved on the _____ day of _____, 2005.

Chairman, Board of Directors, Chaminade College Preparatory

President, Chaminade College Preparatory

ATTACHMENTS

- I. **IRS Form 8282 and Instructions**
- II. **IRS Publication 561 Determining the Value of Donated Property**
- III. **IRS Publication 526 Charitable Contributions**