Thames Valley Council for Community Action, Inc.

Gift Acceptance and Fundraising Policies

Reviewed and Approved by TVCCA's Board of Trustees Finance Committee on November 15, 2022

Reviewed and Approved by TVCCA's Board of Trustees on January 24, 2023

Contents

I. INTRODUCTION

Thames Valley Council for Community Action, Inc. (TVCCA) is a non-profit corporation organized under the laws of the State of Connecticut. TVCCA's Board of Trustees and staff solicit and accept gifts from individuals, foundations, and corporations to secure the future growth of TVCCA. Positive relationships among all these parties are essential to TVCCA's financial stability. Responsibility for the preservation and enhancement of philanthropy shall be retained by the Board and carried out as herein defined.

The goal of this gift acceptance and fundraising policy is to uniformly treat donors and their gifts with full disclosure and provide guidelines for the acceptance and stewardship of gifts. The provisions of this policy apply to all gifts received by TVCCA for any of its programs or services. TVCCA considers specific gifts on their merits and final action is taken on those as authorized by TVCCA's Board of Trustees.

II. LEGAL and ETHICAL CONSIDERATIONS

A. TVCCA cannot give accounting, tax, or legal advice but will work closely with the donor's advisors. It is strongly encouraged that each donor consults with a qualified advisor. It is the donor's responsibility to secure independent legal counsel for all gifts made to TVCCA.

B. Where appropriate, TVCCA seeks the advice of legal counsel in matters relating to the acceptance of gifts. Review by counsel is recommended for:

   a. Gifts where TVCCA is named trustee;

   b. All gifts involving contracts or other documents where TVCCA is to assume an obligation;

   c. All transactions with potential conflict of interest that have the potential for IRS sanctions; and

   d. Other instances in which the use of counsel is deemed appropriate by the Board.

C. In situations where advisors retained by TVCCA prepare documents or render advice in any form to TVCCA and/or a donor to TVCCA, the professional involved is in the employ of TVCCA and is not acting on behalf of the donor in any documents or other advice rendered. The donor's counsel should review documents prior to the completion of the gift(s).

D. At all times TVCCA employees, members of the Board of Trustees, and other volunteers are to avoid conflicts of interest and the appearance of conflicts of interest. A conflict of interest exists whenever a TVCCA employee or immediate family member has a formal relationship with an actual or prospective donor or a material interest in a firm that is an actual or potential vendor to TVCCA.

E. To avoid any incidence of impropriety, TVCCA employees and members of the Board of Trustees are discouraged from serving as personal representatives or executors of a donor's estate, unless the donor is a relative of the employee or member of the Board of Trustees.

F. All TVCCA employees are to avoid acts of actual impropriety as well as acts that create the appearance of impropriety. Therefore, employees are discouraged from serving as the executor, administrator, or trustee of any will or trust in which TVCCA is named as a beneficiary regardless of the date of the dispositive document.

G. TVCCA does not pay fees to any person as consideration for directing a gift to TVCCA.

H. TVCCA does not pay commissions or percentages associated with negotiation and acceptance of any form of gift.

I. In accordance with the Association of Fundraising Professionals' *Code of Ethical Principles and Standards of Professional Practice*, no fundraiser is compensated based on a percentage of funds raised or on a contingent basis. Non-exempt fundraisers in the employ of TVCCA are compensated based on the number of hours worked. Independent contractors and consultants are compensated on a project basis.

III. POLICY ADMINISTRATION

A. Authority for Fund Development

   a. The Board of Trustees has the authority and stewardship responsibility for the following:

      i. All methods and techniques of fundraising activity;

      ii. All forms of contributions received;

      iii. Determining when legal counsel is required for the review of a gift;

      iv. Determining when an independent appraisal is required for a gift;

      v. Approving exceptions to this policy;

      vi. Investment and management of all funds raised;

      vii. Disbursement of contribution revenues in exclusive support of the mission of TVCCA; and

      viii. Other appropriate matters related to the acceptance and stewardship of gifts.

   b. The development department and finance department are responsible to the Chief Executive Officer (CEO) for day-to-day management of all fundraising activities. Professional and support staff will provide:

      i. Leadership, management, and direct support to fundraising programs;

      ii. Acknowledgement of all gifts and maintenance of donor records and recognition;

      iii. Accounting for all gifts received;

      iv. Supervision of annual budget; and

      v. Direction of all employees, consultants, and vendors hired to support the development department.

B. Management of Fund Development Activities

   a. Priorities for public participation and support shall be established by the Board of Trustees and carried out by the development department.

   b. All fundraising activities shall be approved in advance by the CEO for approved priorities only. Goals and budgets associated with their achievement shall be prepared in advance of active public solicitation.

   c. Procedures for Approval for Gift Solicitation

      i. All priorities for fund development are defined, within procedures established by the CEO, for submission to the Board of Trustees for approval, including budgetary authorization.

   ii. Those programs appropriate for fundraising support are identified, and evaluation is performed by the development staff to assess anticipated public support, budget, staff, and volunteer requirements for successful solicitation.

d. Coordination of Fund Development Efforts

   i. Prior to approaching a prospective donor for a gift, all Board members, staff, and volunteers must receive approval from the Senior Director of Marketing & Development who is responsible for tracking solicitations.

C. Authority to Solicit and Receive Gifts

All departments and all members of the TVCCA community are encouraged to identify and assist in soliciting gifts from prospective donors. However, before making such a solicitation or accepting a gift on behalf of TVCCA, the individual or the department must bring the proposed effort to the specific attention of the Senior Director of Marketing & Development who will assure appropriate coordination. Conversely, the Senior Director of Marketing & Development informs the heads of various departments or programs when major gift solicitations are contemplated or gifts benefiting their program and/or department are received.

a. In compliance with Connecticut law, no consultants may solicit funds for TVCCA unless they are registered as a charitable solicitor.

b. Only the Chief Executive Officer (CEO) or Board Chair of TVCCA may approve and sign contracts. This includes any obligations related to grant funding.

D. Public Solicitation Procedures

a. All charitable contributions, regardless of value, form, or designated use, are made only to this organization, using the proper legal name of this corporation.

b. Use of “TVCCA” for any fundraising purpose by any other organization or entity requires prior approval of the CEO.

c. Calendar for Solicitation: Each 12-month period has limited time for fundraising activities. Coordination and cooperation are required in planning each solicitation. Each fundraising program requires time for its own fulfillment and must respect the preferred periods when other fundraising programs are scheduled. The calendar for solicitation shall be reviewed and approved by the development department within 60 days of the start of each fiscal year.

d. Special Project Campaigns

   i. Any special project campaign requires approval of the Senior Director of Marketing & Development prior to initiation, based on the following:

      1. Appropriate fit to the existing calendar of fundraising activities;

      2. Recruitment of an adequate volunteer committee or sponsoring agency or organization; and

      3. Demonstrated potential for profit.

   ii. Separate solicitation programs may be developed to meet urgent priorities or to take advantage of unusual opportunities offered by donors that match well with current fund development objectives.

E. Overall responsibility for assuring compliance with the requirements of this policy is assigned to the Senior Director of Marketing & Development.

F. This policy remains in force until changed by the Board of Trustees.

G. All restricted and unrestricted monies received by TVCCA are put to immediate use or invested under the guidelines of the investment policy adopted by the Board of Trustees.

H. TVCCA's gift accounting policies and procedures are in accordance with generally accepted accounting principles (GAAP) as prescribed by the Accounting Standards Update 2018-08-Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions received and Contributions Made. Financial Accounting Standards Board, including Statements of Financial Accounting Standards Nos. 116 and 117.

IV. DONOR CONSIDERATION and RECOGNITION

A. All programs, trust agreements, contracts, or commitments benefit, first and foremost, the individual needs of the donor, and secondly, TVCCA. A charitable gift that benefits TVCCA at the expense of the donor's interest should not be encouraged.

B. TVCCA accepts unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. TVCCA does not accept gifts that are excessively restrictive in purpose. Gifts that are restrictive include those too difficult to administer or those for purposes outside the mission of TVCCA. All final decisions on the restrictive nature of the gift, and its acceptance or refusal, are made by the Board.

C. A donor may not restrict how gifts, bequests, or endowment funds are invested by TVCCA. All donors of major gifts and endowment funds will be notified prior to the gift being made that investment of their gift is in accordance with the investment policy adopted by the Board of Trustees. Such notice informs the donor that his/her gift or endowment fund is not segregated but is co-mingled with TVCCA's other investments.

D. Where a donor desires to place a restriction upon the use of a major gift or bequest for a specific program, the donor is required to sign a legal instrument empowering the Board of Trustees, after a certain stated number of years, to re-evaluate the restriction.

    a. If the original program to which the gift was restricted is no longer relevant, such as the discontinuation or alternative funding of a program for which the gift was made, the document must empower the Board to re-designate the use to a similar program.

    b. In addition, this legal instrument should state that, with the written consent of the donor, the Board of Trustees may release, in whole or part, any restriction imposed on the use of the gift. If written consent of the donor cannot be obtained by reason of his/her death, disability, unavailability, or impossibility of identification, the Board of Trustees may petition the courts to release the restriction imposed by the donor or gift instrument on the use or investment of the funds. In no event, however, can a release allow a fund to be used for purposes outside the mission of TVCCA.

E. Any gift may be made in honor of or in memory of the donor or anyone he/she may wish to designate. Notice of the person honored or memorialized must be provided in writing at the time the gift is made. Upon request, notification of the gift is mailed to a third party. The gift amount is not disclosed.

F. Gifts made by a donor on behalf of another individual are credited to the actual donor's record. The individual on whose behalf the gift is made receives recognition credit only.

    a. Recognition credit is the dollar value of a gift that can be applied toward a naming opportunity or endowment.

G. Donor Privacy

    a. All information concerning donors or prospective donors, including their names, the names of their beneficiaries, the exact amount of the gift, size of the estate, or any other information for which there is a reasonable expectation of privacy and/or confidentiality is kept strictly confidential by TVCCA, its Board, volunteers, and staff, unless written permission is obtained from the donor to release such information.

    b. Donors who wish to remain anonymous and not be included in published lists of donors must state so at the time of the gift. Completion of a donation remittance envelope or mention of name on any correspondence accompanying the donation is deemed written permission to be included in published lists of donors.

    c. Donors are welcome to request and receive a complete copy of their records.

    d. Only authorized TVCCA staff and members of the Board of Trustees are permitted to view donor files.

    e. Donor files remain onsite at TVCCA.

H. Recognition and reward accorded to donors due to their gift frequency, amounts, or cumulative total shall be in accordance with the honors and recognition guidelines contained herein.

I. Donors and prospective donors may opt out of fundraising mailings via telephone, letter, email, or in person. A statement providing opt-out instructions is included in all annual campaign correspondence.

J. TVCCA does not sell or share its donor and mailing lists with other organizations.

K. Honors and Recognition

    a. Formal recognition of distinguished service to TVCCA, in the forms of gift support and voluntary time and talent, shall receive official consideration by the Board of Trustees. The qualifications, review and decision procedures, and methods of recognition to be followed in regard to gift support in many of its forms, and as specified in this section, are (a) the naming of buildings, property, or any space therein or (b) the conferring of awards or citations on any individual, institution, association, or society for gift support or services rendered.

    b. Guidelines

        i. The Board, in concert with the development department, assesses each recommendation for honors and recognition. The relationship between the honoree's qualifications and the size/scope of project supported are considered. Consideration in the conferral of honors and recognition will include:

            1. Benefit to TVCCA;

            2. Visibility and prominence accorded to the honoree; and

        3. Use of honors and recognition to further the goals and objectives of TVCCA in financial gain and in public recognition and respect.
    ii. Individuals or institutions that make large contributions are qualified for honors and recognition. Gifts are recognized at the discretion of the Board of Trustees.
    iii. Recommendations for honors and recognition are made to the Board of Trustees after review and approval by the CEO, with adequate details on the individual or institution to be honored and reasons for such action by the Board.

c. Public Notice
    i. Honors and recognition decisions present opportunities for public announcement. Agreement for such public notice is requested of each honoree, or his/her family or representative(s), in advance. Honorees have the opportunity to notify family and friends and to invite their participation with TVCCA in any dedication ceremonies and receptions conducted in connection with the conferring of honors and recognition. The CEO and Senior Director of Marketing & Development are responsible for such public notice.
    ii. Various forms of recognition are available in accordance with the wishes of the donor. Details as to form are included in recommendations submitted to the Board of Trustees. Forms of recognition may be among the following: formal dinners, receptions, plaques, gifts to donors and honorees, reports in TVCCA publications, and other forms of recognition.
    iii. Materials, typeface, and presentation forms must be consistent with the graphics standards established by TVCCA. The application of overall visual aids, signage, and graphics must be in accordance with graphics standards established by TVCCA.

d. Naming of Buildings or Space Therein
    i. All areas of TVCCA-owned facilities are subject to naming. Such identification is appropriate in light of the gift or gifts received and will be sensitive to function and location while being consistent with the building's interior design.
    ii. Before making exceptions to the policies for naming opportunities, the Board of Trustees considers the following facts and circumstances pertaining to the gift:
        1. Certainty of the assets to be donated and their future value to TVCCA;
        2. Likelihood of the donor having a "change of heart";
        3. Estimated present value of the gift;
        4. Donor's connection to TVCCA;
        5. Donor's giving history; and
        6. Donor's record of volunteer service to TVCCA.
    iii. TVCCA reserves naming opportunities for outright gifts and living donors. Use of an estate or planned gift to name property is not preferred but is considered on a case-by-case basis. Unless legally impossible, TVCCA treats estate and planned gifts with naming elements as a request. TVCCA honors the request at the final distribution of the gift when the name is appropriate and the gift meets

minimum funding for the naming opportunity at the time of distribution. TVCCA reserves the right to decline gifts with naming restrictions.

iv. Donors who wish to name an item during a campaign may use the present value of a planned gift only if the following criteria are met:

1. The gift is irrevocable;
2. TVCCA is given a copy of the gift instrument; and
3. The present value of the gift equals the minimum funding amount of the naming opportunity.

v. TVCCA reserves the right to honor, through appropriate naming opportunities, any individual or family irrespective of the individual or family's giving record. Such honors are generally made posthumously.

V. GENERAL GIFT ACCEPTANCE

A. Processing Gifts

a. Gifts are recorded as of the date of receipt.

b. When a donation is received, an electronic copy/scan of the check and remittance envelope and/or accompanying letter is made and filed in the appropriate fund folder.

B. Crediting Gifts

a. The gross amount of donations made through the United Ways of Southeastern and Northeastern Connecticut are credited to a donor for recognition purposes. For accounting purposes, the donations are recorded net of United Way's administrative fees. Donors do not receive credit for United Way donations until substantiation is received from the United Way or the donor provides written documentation of the gift.

b. Corporate matching gifts are encouraged, and the donor receives recognition credit for the match.

C. Pledges

a. Pledges are considered on a case-by-case basis.

b. Pledges may be fulfilled on a schedule established by the donor over a specified period, up to a maximum of five years from the date of the pledge. Irrevocable deferred gift arrangements are exceptions and are governed by the terms of the trust.

D. Use of Grant Funds

a. All grant funds given to TVCCA are to be spent in accordance with the funding agreement as specified by each grant.

b. Prior to submission of a grant proposal, the grant writer is responsible for verifying that TVCCA can use the funds as requested.

E. Gift Acknowledgement and Substantiation

All donors are furnished gift acknowledgement letters as soon as possible after receipt of a gift but no later than 10 days after receipt. Responsibility for assuring compliance with the Internal

Revenue Service (IRS) requirements and this policy's guidelines regarding gift acknowledgement and substantiation belongs to the Senior Director of Marketing & Development.

a. Acknowledgement for all gifts over $250 and gifts of $75 or more for which a benefit was offered by TVCCA to the donor, whether or not the benefit was utilized by donor, includes proper language related to valuation of the donor's deduction permitted as stated in the current IRS regulations.

b. Acknowledgement letters for major gifts are signed by the CEO. In the CEO's absence, the Senior Director of Marketing & Development may sign the letters. Gift receipts for in-kind donations may be signed by any member of the development staff.

c. The development department is responsible for keeping a record of gift receipt and date of acknowledgement.

F. Ownership of Gifts

Title to property donated to TVCCA is held by the organization, not by a single department.

G. Appraisals and Required IRS Forms

Legal and ethical requirements designed to protect both the donor and TVCCA prohibit TVCCA, as an interested party, from appraising gifts. Such appraisals, if required by law or particular circumstances, are to be conducted by "qualified appraisers" as defined under IRS regulations. The cost of such an appraisal is the donor's responsibility. In instances where TVCCA elects to request an independent appraisal, TVCCA is responsible for the fee.

The IRS requires that non-cash gifts, including marketable securities, with fair market value of over $500 be documented by the filing of Form 8283 with the donor's federal income tax return. For gifts with a total value of $5,000 or more, an appraisal from a qualified appraiser must be attached to Form 8283. The CEO and CFO are authorized to sign the Form 8283 acknowledging TVCCA's receipt of the gift. TVCCA staff may not attest to donor's valuation of the item.

When gifts with a total value of $5,000 or more are sold by TVCCA within two years of receipt, the CFO is responsible for filing Form 8282 within 125 days of disposition.

H. Evaluation and Acceptance of Certain Types of Gifts

Proposed gifts of real or personal property must be evaluated to determine whether the costs to TVCCA associated with receiving the gift can prudently be accommodated using other TVCCA resources. For example, accepting real property may require payment of closing costs, payoff of debt secured by the property, and physical changes to the property necessary to assure safety or control environmental hazards. Likewise, the cost to retrofit space and provide necessary utilities to make a proposed gift of equipment usable for TVCCA purposes may be prohibitive. Occasionally, associated costs may weigh against acceptance of the gift.

Acceptance of gifts with reversionary interests or other donor restrictions requires the approval of the CEO. This includes all gifts with life estate interests; any gifts that require the establishment of a new office or program; gifts with naming rights; annuities, life insurance policies, intangible property, crypto currency or other non-common types of donations and gifts with a time schedule or other conditions, such as matching gifts.

In addition, the acceptance of in-kind gifts is based upon the relevance to the mission of TVCCA and/or the financial benefit to accepting said gift. The authority and responsibility for prompt, careful evaluation and acceptance or declination of these gifts lies with the Finance Committee that will review and recommend to the Board for action. ~~ED and Senior Director of Marketing & Development.~~

I. Declining Gifts

Gifts may have to be declined under certain conditions including, but not limited to:

a. The gift is restricted and requires support from other resources that are unavailable, inadequate, or may be needed for other institutional purposes.

b. The gift is restricted and supports a purpose or program peripheral to existing principal purposes of TVCCA or creates or perpetuates programs or obligations that dissipate resources or deflect energies from other programs or purposes.

c. The gift injures the reputation or standing of TVCCA or generates such controversy as to substantially frustrate and defeat the purpose to be served.

J. Gifts Requiring Financial Commitment from the Organization

Sometimes gifts require a present or future financial commitment from TVCCA over and above the amount pledged. Before soliciting or accepting any gift that requires a present or future financial commitment from TVCCA, approval must be obtained from the CEO. Examples of some gift-related commitments include:

a. To provide matching funds

b. To continue a project after the gift has terminated or been exhausted

c. To finance a construction project

d. To establish a permanent, interest-bearing fund when the gift amount is not large enough to carry out its specified purpose

e. To finance and/or administer a project outside the routine functioning and operation of the organization

K. Non-Endowed Named Funds

Donors may establish non-endowed named funds.

a. Such funds may be unrestricted or designated for a specific program or purpose. The restriction must follow the guidelines set forth in Section IV.

    i. Designated funds initiated by a donor will require a written fund agreement.

b. The minimum gift to establish a non-endowed named fund is $10,000. This amount must be received in full within one year of the establishment of the fund.

c. Upon approval of the Board of Trustees, exceptions to the minimum non-endowed named funds size may be made following the honors and recognition guidelines set forth in Section IV.

VI. OUTRIGHT GIFTS

A. Unrestricted, outright gifts are acceptable in any amount.

B. Cash

   a. TVCCA accepts cash, checks, money orders, and most major credit cards.

   b. All checks should be made payable to TVCCA and should not be made payable to an employee or volunteer for credit to TVCCA.

   c. All checks are deposited in the ordinary course of business. No employee is authorized to delay deposit.

C. Publicly-Traded Securities

   a. Securities, which are traded on the New York Stock Exchange, American Stock Exchange, NASDAQ, or other readily available markets, are accepted by TVCCA. The gift of any securities with market restrictions must be approved by the CEO and CFO.

   b. Securities accepted by TVCCA are generally sold as soon as practicable, unless it is decided by the CFO to hold the securities as investments of TVCCA.

   c. To maximize tax-saving benefits to the donor, it is advised that donors transfer appreciated securities directly to TVCCA instead of selling the securities and gifting the proceeds. To maximize their capital loss deductions, donors are advised to sell depreciated securities and gift the proceeds to TVCCA.

   d. The donor is responsible for contacting his/her financial professional to inform him/her of the desire to transfer shares of securities to TVCCA. TVCCA staff may assist in the gift process by contacting the financial professional to ensure the transaction takes place in as short a time period as possible.

   e. Securities are recorded and valued the date they are deposited in TVCCA's account.

      i. Valuation of a gift of a security is derived from the mean of the high and low prices per share on the date of the gift.

      ii. For bonds donated, accrued interest is also included in the gift amount.

D. Closely-Held Securities and Ownership Interests

   a. Non-publicly traded securities, including limited partnership and similar ownership interests, are accepted only upon prior approval of the Board of Trustees after review of the prospective donation by the CEO and CFO.

   b. Such securities or interests may be sold only with the prior approval of the Board.

   c. TVCCA does not enter into any agreement whereby the donation of closely-held stock is contingent on TVCCA's future obligation to redeem the stock.

   d. Because values are not readily accessible and there is an indeterminable discount for illiquidity, no valuation is included on the donor's receipt for gifts of closely held securities and ownership interests. The donor should consult his/her tax advisor to determine an appropriate deduction to take for such gifts.

      i. Gift credit for closely-held securities and ownership interests is applied to the donor's record based on proceeds realized upon sale.

E. Real Property

TVCCA's Board of Trustees considers gifts of real property, both improved and unimproved (e.g., detached single-family residences, condominiums, apartment buildings, rental property, commercial property, farms, acreage, etc.), including gifts subject to a retained life estate, only after a thorough review of the criteria for acceptance set forth below under the direction and supervision of the CEO and CFO.

a. The minimum acceptable fair market value for a gift of real property is $50,000. Property must be readily marketable and have clear title capable of being insured by a reputable title company at regular rates, unless it is otherwise decided by the Board.

b. Full interests, partial interests, and remainder interests in real property are all acceptable. Remainder interests are contracts. In the case of such gifts, the donor is to pay all property taxes, maintenance expenses, and any property indebtedness.

c. Assets may be given outright, serve as the corpus of a trust arrangement, or in the case of a personal residence, is given with the right of lifetime tenancy by the donor and/or the donor's spouse.

d. Criteria for Acceptance of Real Property

    i. Market value and marketability—The Board of Trustees must receive a reasonably current appraisal of the fair market value of the property and interest in the property TVCCA would receive if the proposed gift were approved. The Senior Director of Marketing & Development informs the donor that, if the gift is completed, the IRS requires an appraisal made within 60 days of the date of the gift and that it is TVCCA's policy to dispose of all gifts of real estate, other than property which TVCCA wishes to retain, as expeditiously as possible. Thus, regardless of the value placed on the property by the donor's appraisal, TVCCA attempts to sell at a reasonable price, in light of current market conditions.

    ii. Potential environmental risks—All proposed gifts of real property, including gifts from estates, must be accompanied by an environmental audit performed at the donor's expense. The only permitted exception to this requirement is for residential property that has been used solely for residential purposes for a significant (at least twenty-year) period of time. In cases where this exception applies and no environmental audit is undertaken, the donor/executor may be required to execute an environmental indemnity agreement. Even in the case where an environmental audit is submitted, the donor may be required to sign an environmental indemnity agreement.

    iii. Limitations and encumbrances—The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, liens, and other limitations of record must be disclosed. No gift of real estate is accepted until all mortgages, deeds of trust, liens, and other encumbrances have been discharged, except in very unusual cases where the fair market value of TVCCA's interest in the property, net of all encumbrances, is substantial.

iv. Carrying costs—The existence and amount of any carrying costs, including but not limited to, property owners' association dues, country club membership dues and transfer charges, taxes, and insurance, must be disclosed by the donor prior to acceptance of the property by TVCCA.

v. Title information—A copy of any title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy, and/or an attorney's title opinion, must be furnished.

vi. Additional considerations include:

a) Type of real property and location

b) Purpose of the gift (e.g., endowment, unrestricted)

c) Any potential TVCCA use

d) Any special arrangements requested by the donor concerning disposition (e.g., price considerations; time duration prior to disposition; potential buyers; or realtors/brokers with whom the donor would like TVCCA to list the property, etc.)

e. The execution and delivery of a deed of gift or other appropriate conveyance completes the gift. The costs associated with the conveyance and delivery of the gift, including but not limited to, recording fees and, if deemed necessary by the CFO, a current survey, title insurance, and/or an attorney's title opinion, are the donor's responsibility.

F. Personal Property (In-Kind Gifts)

a. "In-kind gifts" refers to the donation of goods and services.

b. Acceptable items include, but are not limited to:

i. Food, if in sufficient quantities and in unopened original packaging

ii. Office equipment, furniture, and supplies

iii. Tickets to sporting and entertainment events

iv. Computer equipment and supplies

v. Decorations

vi. Musical instruments

vii. Arts and crafts supplies

viii. Flowers, trees, and plants

ix. Works of art ready and appropriate for public display or sale

x. Gift certificates, new products, or other items suitable for use as prizes or auction items

c. TVCCA accepts only items that can be used at the facility or readily sold for a minimum of $50. Unless there are countervailing circumstances, the Board of Trustees' policy is to sell or otherwise dispose of, within one year after the date of gift, any item of personal property that is gifted to TVCCA and for which TVCCA has no use.

d. All gifts of personal property must be reported immediately to the development department. Staff members are encouraged to contact the development office before accepting or taking delivery of in-kind gifts.

e. All donors making in-kind gifts are asked to complete an in-kind donation form so donations are correctly recorded and acknowledged.

f. Only new and gently used items are accepted.

g. TVCCA does not accept donations of the following property:

    i. Clothing
    ii. Eyeglasses
    iii. Personal hearing aids
    iv. Incontinence supplies, unless in unopened original packaging
    v. Bedding and linens
    vi. Cribs, car seats, walkers, etc.
    vii. Personal grooming products, unless in unopened original packaging and suitable for distribution as a prize
    viii. Property where TVCCA is obligated to maintain ownership of it in perpetuity
    ix. Livestock and other animals

h. TVCCA reserves the right to decline any in-kind gifts when the quantity is insufficient for equitable distribution.

i. Property that requires additional insurance, special facilities or security to properly safeguard it may not be accepted without prior approval of the CEO.

j. Gift credit: Donors of in-kind gifts are not credited a specific dollar amount unless an appraisal of the gift from a qualified third party accompanies the gift or the gift is new and accompanied by a copy of the purchase receipt.

k. All in-kind gifts are acknowledged in writing with a thank you letter and a receipt describing the item.

l. The following language is included in the receipt provided for the donation of in-kind gifts with an estimated value greater than $5,000:

    i. Your gift may require you to complete IRS Form 8283 together with an appraisal of the donated property. Please consult your tax advisor.
    ii. The deduction you receive from this gift may be limited to the lower of the cost or the market value of the goods donated. Please consult your tax advisor.

m. Gifts of Service

    i. General Service: Gift receipts are not issued for gifts of general service. Gifts of general service fall under the purview of the volunteer director. Volunteers may receive gift credit for expense reimbursements donated to TVCCA, upon request and with appropriate receipts.

ii. Professional Service: Gifts of professional services (e.g., legal, graphic design, accounting, etc.) and partial donations of service (i.e. discounted rates) are eligible for recognition credit.

G. Other Property and Considerations

a. Special consideration is always given to the nature of any gift and whether it fits with the mission of TVCCA prior to acceptance of any property, whether real or personal.

b. Generally unacceptable property includes :

i. Mortgages or notes

ii. Copyrights and other intellectual property rights

iii. Royalties

iv. Easements

v. Debt-encumbered property

vi. Oil, gas, and mineral interests

vii. Time share interests

c. Exceptions to the above restrictions are considered on a case-by-case basis. Prior approval by the Board of Trustees is required.

d. Bargain sales are not acceptable without prior approval from the Board of Trustees.

i. A bargain sale is a transaction in which TVCCA is provided the opportunity to purchase property at less than its fair market value. The gift is usually the difference between the sale price and the market value.

e. Automobiles are acceptable as gifts on a case-by-case basis. Vehicles in working order, free of debt, that pass state inspection, and that are suitable for use by TVCCA may be donated directly. Inoperable vehicles, or those for which TVCCA has no use, are not accepted. Recognition credit for vehicles is based on the Kelley Blue Book value for vehicles retained for use by TVCCA.

f. TVCCA must receive a reasonably current appraisal of the fair market value of the property and interest in the property TVCCA would receive if the proposed gift were approved. The donor is informed that, if the gift is completed, the IRS requires an appraisal made within 60 days of the date of the gift. The appraisal and other information must indicate clearly and convincingly that there is a market for the asset under consideration and that the asset can be sold within a reasonable period of time, if it is not an asset TVCCA can put to use.

g. Other types of gifts not mentioned in this policy may be acceptable, within reason, for the purpose given and in an amount appropriate for the gift type. The development department is expected to use fiscally and legally sound rationale for acceptance. This policy serves as a general guideline under such circumstances.

h. Deed of Gift

i. To transfer the ownership or the title of tangible personal property from the donor to TVCCA requires the physical transfer of the property to TVCCA from the donor along with the formal acceptance of the property by TVCCA. A deed of gift accomplishes this transfer.

ii. TVCCA reserves the right to require a deed of gift for any donation of personal property. The deed of gift includes an identification of the property to be transferred and a statement of donative intent signed by the donor.

iii. Sample language for a deed of gift follows: DONOR, of ADDRESS, hereby confirms that he is the legal owner of and does hereby irrevocably and unconditionally give, grant, and convey an absolute, unconditional, and undivided interest in the item(s) described below, to TVCCA for the benefit of TVCCA, hereinafter referred to as DONEE. Title to the items and all associated rights are hereby vested in DONEE, without reservation and free and clear of all encumbrances. DONOR understands and agrees that the item(s) may be displayed, loaned, retained, disposed of, or otherwise employed at the sole discretion of DONEE.

VII. DEFERRED/PLANNED GIFTS

A. The development department handles negotiation and execution of deferred giving, and the Board of Trustees has the ultimate authority in this process. Not all gifts are accepted.

B. When property other than cash, listed securities, or securities traded over-the-counter is involved, final approval of the CEO and CFO is required to accept or decline a gift.

C. Bequests

a. A bequest is a gift of any amount or form made to TVCCA in a donor's will. Bequests may provide for a specific dollar amount in cash, specific securities, or specific articles of tangible personal property.

b. TVCCA is pleased to be named as a charitable beneficiary in a donor's will. Donors may make bequest provisions that name TVCCA as any of the following:

i. Sole beneficiary;

ii. Beneficiary of a portion of the estate (e.g., 30%, 50%, etc.);

iii. Beneficiary of the remainder of an estate or a portion of the remainder of an estate after specific needs have been fulfilled;

iv. Beneficiary of a specific dollar legacy; or

v. Contingent beneficiary.

c. Gifts can be made to TVCCA through the execution of a new will or through a codicil to an existing will.

d. Sample Language

i. Unrestricted Bequest: "I give and bequeath to TVCCA, Jewett City, Connecticut, (the sum of $____) or (____% of the residue and remainder of my estate) or property described herein) to be used for general purposes, as determined by the Board of Trustees." Note that if a gift has restrictions then TVCCA has to go back to the family to get the restrictions changed if TVCCA wishes to repurpose the monies.

ii. Upon the donor's request, TVCCA can provide language to assist in establishing a restricted estate gift: "This designation represents a preferred use for these funds and is not an absolute restriction. Should the exact designation cease to be effective or practicable before or after the gift is received by TVCCA, the Board of Trustees is authorized to use this gift in an alternative way consistent with the general intent of this designation."

1. Gifts received when TVCCA had no prior knowledge of the amount or nature of the gift are treated as if the language above had been included, unless legally impossible.

D. Retirement Plan Beneficiary Designations

a. The easiest way for a donor to donate retirement plan assets is to designate TVCCA as a primary beneficiary. Donors can contact the administrator of their plan to receive the correct forms to sign. For 401(k)s, if a donor is married, the spouse must waive his or her right to survivor benefits from the plan. Donors can specify an amount or percentage of the retirement plan assets to be gifted to TVCCA. Donors can also designate TVCCA as the secondary beneficiary. An alternative is to have retirement plan assets transferred at death to a charitable remainder trust.

b. Retirement plan beneficiary designations and bequests are not recorded as gifts to TVCCA until the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of the gift is recorded at the time the gift becomes irrevocable.

VIII. ENDOWMENT FUNDS

A. Endowment funds are funds in which the donor has stipulated, as a condition of the gift, that the principal of the fund is to be maintained by TVCCA in perpetuity and only investment income and net appreciation may be expended for the general charitable purposes of TVCCA.

B. Endowment fund income and net appreciation can be unrestricted or restricted by a donor for use in a particular program(s) or interest area(s) of TVCCA.

C. Donors are encouraged to recognize that over the many years following the establishment of an endowment, the needs, policies, and circumstances of TVCCA can change in unforeseen ways. The Board of Trustees must have the flexibility to make use of funds in the best interest of the agency and in accordance with donor interests and specifications. Thus, donors are advised to describe the specific purposes of their gifts as broadly as possible and to avoid detailed limitations and restrictions. Donors considering bequests for a specific purpose are encouraged to consult with the Senior Director of Marketing & Development.

a. Donors are encouraged to include descriptive language to the effect, "if the Board of Trustees determines that this use is no longer necessary or appropriate, members are authorized to direct the income or principal of the fund for another use agreed upon through a special resolution of the Board, with preference given for another use most in keeping with the original intent of the fund."

D. Donors are encouraged to establish endowments that provide funding for areas of ongoing budgetary need. The CEO, CFO, Senior Director of Marketing & Development, and the Board of Trustees reserve the right to decline gifts that do not meet this criterion.

E. No endowment funds, named or otherwise, can be created for an amount less than $100,000, unless otherwise approved by the CEO and CFO.

F. Endowment gifts are co-mingled in the long-term investment portfolio of TVCCA and adhere to the investment policy of TVCCA, as adopted by the Board of Trustees. If endowed funds are permanently restricted, then TVCCA shall develop a spending policy for those funds.