

**Inland Valley Council of Churches
doing business as Inland Valley Hope Partners**

Gift Acceptance Policies and Guidelines

Overview Statement

Inland Valley Council of Churches, doing business as Inland Valley Hope Partners, a not-for-profit organization organized under the laws of the State of California, encourages the solicitation and acceptance of gifts to the Charity (hereinafter referred to as Hope Partners) for purposes that will help Hope Partners further and fulfill its mission. The following policies and guidelines govern the acceptance of gifts made to Hope Partners or for the benefit of any of its programs.

The mission of Hope Partners is “to ensure the empowerment of people in need by providing food, shelter and supportive services.”

Ethics Statement

The Board is committed to the ethics and philosophy of the religious heritage upon which the agency was founded. The Board is authorized to accept gifts only where (1) there is believed to be genuine donor intent, (2) there has been full disclosure between the donor and Hope Partners, (3) the donor has been encouraged to seek legal, accounting, and tax advice, and (4) the gift is believed to be in the best interest of the donor and Hope Partners. The Board does not intend to authorize the acceptance of gifts that would jeopardize the financial, legal or moral integrity or reputation of Hope Partners, or where the gift reasonably would be expected to cause embarrassment or hardship to the donor or the donor’s family or other beneficiaries.

1. **Purpose of Policies and Guidelines.** The board of directors of Hope Partners and its staff solicit current and deferred gifts from individuals, corporations, faith communities and foundations to secure the future growth and missions of Hope Partners. It is the purpose of these policies and guidelines to govern the acceptance of gifts by Hope Partners and to provide guidance to prospective donors and their advisors when making gifts to Hope Partners. The provisions of these policies shall apply to all gifts received by Hope Partners for any of its programs and services.
2. **Use of Legal Counsel:** when appropriate, Hope Partners shall seek the advise of legal counsel in matters relating to acceptance of gifts. Review by counsel is recommended for:
 - Closely held stock transfers that are subject to restrictions or buy-sell agreements;
 - Documents naming Hope Partners as Trustee;
 - All gifts involving contracts, such as bargain sales or other documents requiring Hope Partners to assume an obligation;
 - All transactions with a potential conflict of interest that may invoke IRS sanctions;
 - Other instances in which the use of counsel is deemed appropriate by the executive director/ceo or the resource development committee.
3. **Conflict of interest:** All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.
4. **Restriction of Gifts:** Hope Partners 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. Hope Partners will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive in purpose are those that violate the terms of the corporate charter, those that are too difficult to administer, or those that are for

purposes outside the mission of Hope Partners. The board of directors of Hope Partners reserves the right to make all final decisions on the restructure nature of a gift as well as its acceptance or refusal.

5. **The Gift Acceptance Committee:** the gift acceptance committee shall consist of the Resource Development Committee. Routine gift acceptance decisions may be delegated to the executive director/ceo.

6. **Types of Gifts:** the following gifts are acceptable:

- Cash
- Tangible personal property
- Securities
- Real estate
- Remainder interests in property
- Oil, gas and mineral interests
- Life insurance
- Charitable gift annuities**
- Charitable remainder trusts**
- Charitable lead trusts**
- Retirement plan beneficiary designations
- Bequests
- Life insurance beneficiary designations

** administration in collaboration with the Presbyterian Foundation is available.

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

a. **Cash:** Cash is acceptable in any form. Check shall be made payable to Inland Valley Hope Partners or Inland Valley Council of Churches.

b. **Tangible Personal Property:** All gifts of tangible personal property shall be examined based on answers to the following questions:

- Does the property fulfill the mission of Hope Partners?
- 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?

The gift acceptance committee of Hope Partners shall make a determination on the acceptance or other tangible property gifts, subject to the final approval of the board of directors of Hope Partners.

c. **Publicly Traded Securities:** Marketable securities may be transferred to an account maintained at one or more brokerage firms, or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the investment committee. In some cases, applicable securities laws may restrict marketable securities; in such an instance, the gift acceptance committee of Hope Partners shall make the final determination on the acceptance of the restricted securities.

d. **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 Hope Partners. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent Hope Partners from ultimately converting those assets to cash;
- The security is marketable;

- The security will not generate any undesirable tax consequences for Hope Partners.

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 the gift. The gift acceptance committee or the board of directors of Hope Partners shall make the final determination on accepting of the closely held securities where necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

- e. **Real Estate.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Before accepting real estate gifts, Hope Partners may require an initial environmental review of the property to ensure that it is not contaminated with environmental damage. In the event that the initial inspection reveals a potential problem. Hope Partners shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

Where appropriate, a title binder shall be obtained by Hope Partners prior to the acceptance of the real estate gift. The costs of this title binder shall generally be at the expense of the donor.

Prior to acceptance of the real estate, the gift shall be approved by the gift acceptance committee of Hope Partners. Gifts of real estate shall be examined based on the answers to the following questions:

- Is the property useful for the purposes of Hope Partners?
 - Is the property marketable?
 - Are there any restrictions, reservations, easements or other limitations associated with the property?
 - Are there carrying costs, which may include insurance, property taxes, mortgages or notes, associated with the property?
 - Does the environmental audit reflect that the property is not damaged?
- f. **Remainder Interests in Property:** Hope Partners will accept a remainder interest in the personal residence, farm or vacation home subject to the provisions of the previous paragraphs on real estate. The donor or other occupants may continue to occupy the property for the duration of the stated life. At the death of the donor, Hope Partners may use the property or reduce it to cash. Where Hope Partners receives a gift of the remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor or primary beneficiary.
- g. **Oil, Gas and Mineral Interests:** Hope Partners may accept oil and gas property interests where appropriate. Prior to the acceptance of an oil and gas interests, the gift shall be approved by the gift acceptance committee. The criteria for acceptance of the property are as follows:
- Gifts of surface rights should have the value of \$20,000 or greater;
 - Gifts of oil, gas and mineral interests should generate at least \$2,000 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;
 - If the interest is a working interest, Hope Partners should determine the impact on itself so that it may develop a plan to minimize that impact if accepted.
 - The property should undergo an environmental review to ensure that Hope Partners has no current or potential exposure to environmental liability.
- h. **Life Insurance:** Hope partners must be named as beneficiary and owner of a life insurance policy before it can be recorded as a gift. The gift is valued at its interpolated terminal reserve value upon receipt. If the

donor contributes future premium payments, Hope Partners 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, Hope Partners may:

- Continue to pay the premiums;
- Convert the policy to paid up insurance;
- Surrender the policy for its current cash value.

- i. **Charitable Gift Annuities:** Hope Partners may offer charitable gift annuities to be administered by Presbyterian Foundation, in accordance with the rules of that organization. The minimum gift for funding shall be \$10,000. 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 one gift annuity. Annuity payments may be made on a quarterly, semiannual or annual schedule.

No real estate, tangible personal property or any other illiquid asset will be accepted in exchange for current charitable gift annuities. Real estate, tangible personal property or other illiquid assets in exchange for deferred gift annuities may be accepted so long as there is at least a five-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the organization that writes the gift contract (i.e. Presbyterian Foundation) approves.

- j. **Charitable Remainder Trusts:** Hope Partners may accept designation as remainder beneficiary of the charitable remainder trust with the approval of the gift acceptance committee. Hope Partners will not accept an appointment as Trustee of a charitable remainder trust.
- k. **Charitable Lead Trusts:** Hope Partners may accept a designation as income beneficiary of a charitable lead trust. Hope Partners will not accept an appointment as Trustee of a charitable lead trust.
- l. **Retirement Plan Beneficiary Designations:** Donors and supporters of Hope Partners shall be encouraged to name Hope Partners as beneficiary of their retirement plans. Such designations shall not be recorded as gifts to Hope Partners until such time as a 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.
- m. **Bequests:** Donors and supporters of Hope Partners shall be encouraged to make bequests to Hope Partners under their wills and trusts. Such bequests shall not be recorded as gifts to Hope Partners until such time as a 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.
- n. **Life Insurance Beneficiary Designations:** Donors and supporters of Hope Partners shall be encouraged to name Hope Partners as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to Hope Partners until such time as a 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.

8. Miscellaneous Provisions

- a. **Securing appraisals and legal fees for gifts to Hope Partners:** It shall be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to Hope Partners.

- b. Valuation of gifts for development purposes: Hope Partners shall record a gift received by the agency at its valuation for gift purposes on the date of the gift.
 - c. Responsibilities for IRS filings upon the sale of gift items: the executive director/ceo is responsible for filing all required IRS forms in conjunction with receipt of all gifts.
9. **Changes to Policies:** These policies and guidelines have been reviewed and accepted by the board of directors. They are subject to revision at any meeting of the Board of Directors at which a quorum is present.

Approved by the Board of Directors in February 2009