

**Society of St. Vincent De Paul of San Mateo County**  
**Gift Acceptance Policy**  
**DRAFT**

**1. Policy and Purposes**

This Policy represents the policy of the Society of St. Vincent de Paul of San Mateo County (SVdP) governing the solicitation and acceptance of gifts by SVdP. The Board of Directors and its authorized committees and staff solicit current and deferred gifts from individuals, corporations, foundations and others for purposes that will further and fulfill the Society's mission.

Purposes of this Policy include: guidance for the Board, officers, staff and committees with respect to their responsibilities concerning gifts to the Foundation; and guidance to prospective donors and their professional advisors when making gifts to SVdP. The provisions of this Policy shall apply to all gifts received by SVdP.

SVdP reserves the right to revise or revoke this Policy at any time, and to make exceptions to the Policy.

Mission Statement: *"In the spirit of love and justice, the Society of St. Vincent de Paul of San Mateo County provides person to person services of time, talent and resources to help our neighbors in need."*

**2. Use of Legal Counsel**

**A. SVdP.** SVdP shall seek the advice of legal counsel in matters relating to acceptance of gifts when deemed appropriate and necessary. Review by legal counsel is recommended for:

- (1) Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- (2) Documents naming SVdP as trustee;
- (3) Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring SVdP to assume an obligation;
- (4) Transactions with a potential conflict of interest;
- (5) Gifts of real estate;
- (6) Pledge agreements;
- (7) Any gift with restrictions; and
- (8) Any other instances where use of counsel is deemed appropriate and necessary by the Board and/or Development Committee.

**B. Donor.** For non-standard gifts, in order to avoid any conflicts or potential conflicts of interest, SVdP will encourage prospective donors to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

### 3. General Policy

SVdP shall not accept gifts that:

- (1) Violate the terms of SVdP's organizational documents;
- (2) Would jeopardize SVdP's status as an exempt organization under federal or state law;
- (3) Are too difficult or expensive to administer;
- (4) Are for purposes that do not further SVdP's mission and/or objectives; or
- (5) Could damage the reputation of SVdP.

Subject to Section 4 below, all final decisions on the acceptance or refusal of a gift shall be made by the Board of Directors.

### 4. Policy Regarding Specific Types of Gifts

#### **A. Gifts Generally Accepted Without Review (Unrestricted Gifts of Cash and Unrestricted Marketable Securities).**

SVdP will accept unrestricted gifts of cash in any form without prior review by the Board provided that, for donations of \$ 100,000.00 or more, the identity of the donor has been vetted with respect to any reputational or policy issues. Checks shall be made payable to the Society of St. Vincent de Paul.

Unrestricted marketable securities may be transferred to an account maintained by the SVdP at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. All marketable securities shall normally be sold as soon as practical following receipt, unless otherwise directed by the Board.

#### **B. Gifts Subject to Governing Body Review Prior to Acceptance.**

All gifts, other than unrestricted gifts of cash, must be reviewed by the Board prior to acceptance, unless the Board authorizes certain de minimis gifts or categories of gifts to be accepted without its review. The following guidelines also apply:

(1) **Tangible Personal Property:** The Board shall review and decide whether to accept gifts of tangible personal property by considering the following factors:

- i. Whether the property furthers the mission of SVdP;
- ii. The marketability of the property;
- iii. The restrictions on the use, display, or sale of the property; and
- iv. Carrying costs and possible liability for the property.

(2) **Restricted Marketable Securities:** If the marketable securities are restricted by applicable securities laws, the Board will make the final determination on the acceptance of the restricted securities.

(3) **Closely-Held Securities:** Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other

ownership forms, can be accepted subject to the approval of the Board. The Board will review and decide whether to accept closely held securities based on the following factors:

- i. Restrictions on the security that would prevent SVdP from ultimately converting the securities to cash;
- ii. The marketability of the securities; and
- iii. Any undesirable consequences for SVdP from accepting the securities.

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 Board of SVdP with advice of legal counsel when deemed necessary. Non-marketable securities shall be sold as quickly as possible.

(4) **Bequests:** Donors may make bequests to SVdP under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with GAAP (generally accepted accounting principles).

(5) **Charitable Remainder Trusts:** SVdP may accept designations as remainder beneficiary of a charitable remainder trust. SVdP may, at its option, accept appointment as trustee of a charitable remainder trust.

(6) **Charitable Lead Trusts:** SVdP may accept designations as income beneficiary of a charitable lead trust. SVdP may, at its option, accept an appointment as trustee of a charitable lead trust.

(7) **Retirement Plan Beneficiary Designations:** SVdP may accept designations as beneficiary of donors' retirement plans. Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with GAAP.

(8) **Life Insurance:** SVdP may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once SVdP is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules. If the donor contributes future premium payments, SVdP 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, SVdP may:

- i. Continue to pay the premiums;
- ii. Convert the policy to paid up insurance, or
- iii. Surrender the policy for its current cash value.

Donors may name SVdP as beneficiary or contingent beneficiary of their life insurance policies. Designations will not be recorded as gifts until the gift is irrevocable. Where the gift is irrevocable, the gift shall be recorded in accordance with GAAP.

(9) **Charitable Gift Annuities:** At present, SVdP does not offer charitable gift annuities, but may in the future. SVdP is open to discussing such an option with an interested donor.

(10) **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest.

*Environmental Review.* Prior to acceptance of real estate, SVdP shall require an initial environmental review of the property to ensure that the property has no environmental problems. If the initial inspection reveals one or more potential problems, SVdP shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor.

*Title Binder.* A title binder shall be obtained by SVdP prior to the acceptance of the real property gift when appropriate. The cost of this title binder shall be an expense of the donor.

*Factors for Acceptance.* The Board and its legal counsel shall review and decide whether to accept real property based on the following factors:

- i. Whether the property is useful for the purposes of SVdP;
- ii. The marketability of the property;
- iii. Any encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property;
- iv. Any carrying costs associated with the property, including insurance, property taxes, mortgages, notes or other costs;
- v. Any concerns revealed by the environmental audit.

(11) **Remainder Interests in Property:** SVdP will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of this Paragraph 4. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the life tenant(s), SVdP may use the property or reduce it to cash. Expenses for maintenance, real estate taxes, and any property indebtedness shall be paid by the donor or primary beneficiary.

(12) **Oil, Gas, and Mineral Interests:** SVdP may accept oil and gas property interests when appropriate. The Board and its legal counsel shall review and decide whether to accept oil, gas, and mineral interests subject to the following limitations:

- i. SVdP's Board and legal counsel determine that the value and royalties or other income (as determined by the average of the three years prior to the gift) is of significant size to warrant consideration.
- iii. The property should not have extended liabilities or other issues that make receipt of the gift inappropriate.
- iv. A working interest should only be accepted after consideration of potential liability and tax consequences.
- v. The property should undergo an environmental review to ensure that the Society has no current or potential exposure to environmental liability.

(13) **Restricted Gifts:** A gift with restrictions will be accepted only if and when the restrictions are approved by the Board.

(14) **Named Funds:** A donor, or group of donors, may contribute and name a fund and restrict the use of the income or principal of the fund. Named funds require a minimum contribution of \$50,000 and are subject to Board approval like any other restricted gift.

## 5. Additional Provisions

**A. Gift Agreements.** Where appropriate, SVdP shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition.

**B. Pledge Agreements.** Acceptance by SVdP of pledges by donors of future support of SVdP (including by way of matching gift commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, which may include provisions regarding donor recognition.<sup>1</sup>

**C. Fees.** SVdP will not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by donor for completing the gift; (2) appraisal fees; (3) environmental audits and title binders (in the case of real property); and (4) all other third-party fees associated with the transfer of the gift to SVdP.

**D. Valuation of Gifts.** SVdP shall record gifts received at their valuation on the date of gift, except that, when a gift is irrevocable, but is not due until a future date, the gift may be recorded at the time the gift becomes irrevocable in accordance with GAAP.

**E. IRS Filings upon Sale of Gifts.** To the extent applicable, the Board shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by SVdP. "Charitable deduction property" means any donated property (other than money and publicly traded securities) if the value claimed by the donor exceeds \$5,000 per item or group of similar items donated by the donor to one or more grantee organizations (e.g., the property listed in Section B on Form 8283). The Society shall file this form within 125 days of the date of sale or disposition of the asset.

**F. Written Acknowledgement.** Development Committee and/or staff shall provide written acknowledgement of all gifts made to SVdP and comply with the current IRS requirements in acknowledgement of the gifts.

**G. Changes to or Deviations from the Policy.** This Policy has been reviewed and adopted by the Board of the Society of St. Vincent de Paul of San Mateo County, which has the sole power to change this Policy. In addition, the Board, in consultation with the Development Committee, must approve in writing any deviations from this Policy.

**H. Donor Recognition.** The criteria for recognition of donors and details of recognition shall be established by the Board in consultation with the Development Committee.

<sup>1</sup>

In California, charitable pledge agreements are generally not enforceable in the absence of consideration flowing to the pledgor. To assure collectability of the pledge, the Society will enter into a valid contract with the pledgor.