

**Grantee charities may find that adoption and implementation of a Gift Acceptance Policy will provides reassurance to grantors. In any event, the charity will want to review these policies carefully and modify them so they accurately reflect the particular culture and practices of the charity.**

## **GIFT ACCEPTANCE POLICY**

### **COMPASSPOINT**

CompassPoint, a not-for-profit organization organized under the laws of the State of California and exempt as a public charity under Section 501(c)(3) of the Internal Revenue Code, encourages the solicitation and acceptance of gifts for purposes that will assist CompassPoint to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to CompassPoint or for the benefit of any of its programs.

#### ***I. Purpose of Policies and Guidelines***

The Board of Directors of CompassPoint and its Chief Executive Officer and staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of CompassPoint. It is the purpose of these Policies and Guidelines to govern the acceptance of gifts (including grants) by CompassPoint and to provide guidance to prospective donors and their advisors when making gifts to CompassPoint. The provisions of these Policies shall apply to all gifts received by CompassPoint for any of its programs or services.

#### ***II. Restrictions on Gifts***

CompassPoint 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. CompassPoint will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the charitable trust of CompassPoint, gifts that are accompanied by an improper economic benefit to the donor such as a gift that is conditioned on a commercial preference to the donor or affiliated company, or gifts that vest the donor with inappropriate control such as a gift that requires CompassPoint to hire a specific person or take some other unacceptable action. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors.

### III. *Gift Vehicles*

CompassPoint will accept gifts through the following gift vehicles:

- Outright donations
- Testamentary bequests
- Charitable remainder trusts
- Charitable lead trusts

CompassPoint does not offer the following gift vehicles:

- Charitable gift annuities
- Pooled income funds

### IV. *Assets*

CompassPoint is authorized to accept the following assets, subject to these Policies and Guidelines.

Cash or Cash Equivalents	Acceptable.
Charitable Pledge Agreements	Acceptable if payable only in assets listed herein.
Publicly Traded Securities	Acceptable. CompassPoint shall promptly sell any contributed securities in accordance with CompassPoint's investment policies.
Closely-Held Securities and Other Intangibles	Acceptable. CompassPoint shall not accept securities and other intangible assets which may not be sold, have no value, or may result in additional liability to CompassPoint.
Tangible Personal Property	Acceptable, subject to review by the Board of Directors. CompassPoint shall not offer to value the contributed

property. The donor shall sign a statement of ownership and disclose any liens on the property. CompassPoint will not accept any property subject to a restriction on CompassPoint's ability to use, sell, or otherwise deal with the property as it deems necessary.

#### Life Insurance

Acceptable. CompassPoint may accept the gift of a life insurance policy, provided that CompassPoint is the owner and the irrevocable beneficiary of the policy. If the policy is not fully paid-up, the donor shall be encouraged to make annual gifts to CompassPoint sufficient to cover additional premiums. CompassPoint shall have the right to retain the life insurance policy, cash it in, or otherwise make use of its value.

#### Real Estate

Acceptable subject to review by the Board of Directors. CompassPoint will not accept any real estate subject to a restriction on CompassPoint's ability to use, sell, or otherwise deal with the property as it deems necessary. The basic policy of CompassPoint is to sell all contributed property as soon as practicable. Costs related to acceptance of gifts of real property such as legal fees, surveying costs, hazardous waste surveys, etc., will be allocated as mutually agreed and will not affect the recorded value of the gift. Appraisal costs are the responsibility of the donor.

#### In-Kind Gifts

Acceptable if approved by the Chief Executive Officer. In-kind contributions include gifts of supplies, equipment, services and the like which are beneficial to CompassPoint. Costs incurred as a result of accepting the gift, such as transportation and storage, must be approved by the Chief Executive Officer. The CEO shall report all in-kind gifts to the Board.

CompassPoint shall accept all bequests of real estate unless the Board of Directors determines otherwise. CompassPoint shall review all proposed *inter vivos* gifts of real estate and shall consider such factors as sale and holding costs, current and expected future value, encumbrances, liabilities, title, restrictions, and any potential environmental issues prior to acceptance.

Prior to accepting an *inter vivos* gift of real estate, the following steps will generally be taken:

- Complete a profile of the property.
- Obtain a copy of the deed, any encumbrances, leases, and current tax bill.
- Consider obtaining a title report.
- Inspect the property.
- Consult with a real estate advisor as to marketability.
- Evaluate the potential for any environmental liabilities. Consult with an environmental engineer or comparable advisor if necessary.

## V. *Miscellaneous Provisions*

**A. Chief Executive Officer.** Except as provided in Article II above, the Chief Executive Officer shall have discretion and authority to accept unrestricted gifts, allowable under these Policies and Guidelines, of a value up to \$100,000. As to restricted gifts, the Chief Executive Officer shall have discretion and authority to accept restricted gifts of a value up to \$50,000. Gifts above those amounts may be accepted only by the Board of Directors.

**B. Legal counsel.** The Chief Executive Officer may seek the advice of legal counsel where appropriate and shall seek the advice of legal counsel in all matters pertaining to the acceptance of a gift which may have adverse legal, ethical, or policy consequences to CompassPoint. All prospective donors shall be urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning implications.

**C. Securing appraisals and legal fees for gifts to CompassPoint.** CompassPoint shall not appraise property. It shall be the responsibility of

the donor to secure an appraisal where required. CompassPoint shall not pay the legal fees of the donor. The donor shall pay any fees for appraisals and legal advice required.

- D. Valuation of gifts for development purposes.** CompassPoint shall record a gift received by CompassPoint at its valuation for gift purposes on the date of gift, following generally accepted accounting principles (GAAP).
- E. Responsibility for IRS filings upon sale of gift items.** CompassPoint is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold by CompassPoint within two years of receipt where the charitable deduction value of the item was \$5,000 or greater. CompassPoint must file such form within 125 days of the date of sale or disposition of the asset.
- F. Written acknowledgment.** Written acknowledgment of all gifts made to CompassPoint and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of CompassPoint.