

IT'S TIME TO REVISIT YOUR GIFT ACCEPTANCE POLICY

Make sure you have a *dynamic* gift acceptance policy in place that manages donors' expectations and prevents misunderstandings as strongly as it reinforces your mission. Having that in place prior to your next fundraising, planned giving or endowment building program should help guide your board and staff, and define their responsibilities.

1

What Your Policy Should Do

- Define your mission statement
- Define types of gifts your nonprofit accepts
- Define gift acceptance criteria
- Assign gift acceptance oversight authority (e.g., VP for advancement or director of development)
- Establish a gift acceptance committee to review complex gifts (see 5 on next page)
- Allow acceptance of unrestricted gifts
- Decline gifts that are too restrictive in purpose, too difficult to administer or outside your nonprofit's mission
- Allow for the graceful "no" to inappropriate gifts
- Authorize your nonprofit to be appointed as trustee, executor or fiduciary
- Encourage donors to seek independent counsel regarding their gift's tax and estate planning consequences
- Acknowledge donor, protect donor confidentiality and honor requests for anonymity
- Outline gift acknowledgement forms and procedures
- Hold development staff to the [Model Standards of Practice for the Charitable Gift Planner](#)
- Require periodic review (see 4 on next page)

Start with something simple, broad and brief. For example:

Nonprofit XYZ solicits and accepts gifts consistent with its mission. Donations will generally be accepted without limitations. In the course of its regular fundraising activities Nonprofit XYZ will accept donations of cash, real property, personal property, publicly traded securities and in-kind services. Certain types of gifts must be reviewed prior to acceptance due to liabilities they may pose for Nonprofit XYZ. Examples of gifts subject to review include gifts of real property, gifts of personal property, and gifts of publicly traded securities.

2

Who Should Help

Creating your gift acceptance policy should be a collaborative process with development staff, finance staff, senior leadership, your board and in-house legal counsel.

- Create a working group of staff members and advisors familiar with the gift acceptance process and who are knowledgeable about gifts' technical aspects
- Inform the board the process has been initiated and the group's objectives
- Review other nonprofits' policies, tailoring relevant content to your organization's unique objectives

3

How to Circulate

Once your gift policy is approved

- Deliver the document to the board and provide a presentation about the development process and key policy points
- Post the policy on your organization's website
- Provide it to your donors and their advisors
- Feature in staff orientation manual
- Incorporate into new board members' onboarding materials

4

When to Update

A dynamic gift acceptance policy changes over time, evolving to be specific about what gifts will or won't be accepted, and which are subject to review prior to acceptance. Review your policy at least annually and update:

- When new gift techniques are implemented
- When revised procedures or best practices are put in place
- For a capital campaign
- For new programs
- With new laws and changing donor demographics

5

How to Review Ongoing Gifts

A gift acceptance committee made up of senior staff members – the CFO, director of development, in-house general counsel and appointees with expertise and experience in evaluating gifts – should be established to:

- Review gifts of real estate, tangible personal property, closely held securities, life insurance, intellectual property, partnership interests, mineral rights and restricted securities
- Evaluate gifts against your organization's mission and interests
- Determine procedures for accepting gifts and, when issues arise, make recommendations to the board
- Consider and adopt a "windfall policy" for unexpected gifts above a certain dollar amount

QUESTIONS? WE HELP YOU FIND ANSWERS

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