

- To review transactions that the Executive Committee or Board of Directors believe that the use of such professionals is appropriate
- F. HH reserves the right to not accept any gift, including those from which the organization will realize little or no financial gain, or which are made for purposes that are inconsistent with the organization's mission, or which have restrictions that violate the organization's ethical standards or established policies.
- G. Donations of gifts for unrestricted and general purposes are encouraged because of the flexibility they provide in meeting the most pressing needs of the organization.
- H. HH ensures that all gifts and earnings are used according to donor guidelines and its mission as stated from time to time.
- I. Donor stewardship is managed through the business office of HH. This includes administering the gift properly and providing the donor with appropriate financial information about the gift.
- J. This Gift Acceptance Policy is designed to provide guidance to HH on how to facilitate the gift-giving process. This policy encourages philanthropic creativity and is to be interpreted liberally so that prospective donors may enjoy the greatest freedom possible in formulating their gifts.

This gift acceptance policy should be read and interpreted in conjunction with HHs' policies and procedures in force at the time of interpretation. For the purpose of gift acceptance, HH is exempt from income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

General Requirements:

Overall responsibility for assuring compliance with the requirements of this policy is assigned to the HH CEO/designee. In appropriate cases, as set forth with more particularity below, gift proposals may be further reviewed by the Executive Committee of the Board, Board of Directors and/or the organization's legal or other professional advisors.

At the request of the CEO, the Finance Committee of the Board shall review and make recommendations to the Executive Committee regarding gifts that may present current and/or future encumbrances and in cases involving unusual non-cash gifts. The organization's legal or other advisors may serve in a consultative role to the Executive Committee or CEO. Gifts reviewed by the Finance Committee may include, but are not limited to:

- Gifts of real property and gifts in kind.
- Deferred gifts that require special attention.
- Gifts of closely held securities, stock options or other negotiable instruments.
- Gifts that, because of their unusual nature or restrictions, present questions as to the impact on HH or a particular program or area.
- Gifts that, because of their size or nature, present questions as to the impact on HH, or a particular program or area.
- Gifts that might raise questions about HHs' integrity or independence, or potentially expose the organization to adverse publicity, financial risk, or litigation.
- Gifts that present the potential for an obligation under local, state, or federal law that the organization may be unwilling or unable to assume.

Legal and ethical requirements, designed to protect both the donor and the organization, prohibit the organization from appraising gifts. Such appraisals, if required by law circumstances, shall be conducted by an independent appraiser.

Proposed gifts of property and gifts in kind must be evaluated to determine whether the costs to the organization associated with receiving the gift can prudently be accommodated. 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 to control or abate environmental hazards. Likewise, the cost to retrofit building space and provide necessary utilities to make a proposed gift of equipment usable for organization purposes, or the impact of altering the interior or façade of a building to display a gift, may be deemed excessive and may weigh against acceptance of the gift.

HH may incur and pay reasonable fees for the professional services rendered to the organization in direct connection with the completion of a gift to the HH. Where advisors retained by the organization prepare documents or render service of any kind to HH and/or the donor to the organization, the donor shall be informed that the professional involved is in the employ of HH and is not acting on behalf of the donor and that any advice given or documents prepared should be reviewed by counsel for the donor prior to completion of the gift.

Requirements by Type of Gift

The following requirements relate to the more common types of gifts HH may receive. It is understood that special gifts or circumstances may require a case-by-case review and may not be covered by this policy. Documentation of the acceptance decision (including criteria used for any special exceptions to this policy including gifts that are not defined herein) shall be retained in the donor/gift record.

A. Outright Gifts

1. Cash:

- a. Gifts in the form of cash and checks shall be accepted by the organization, regardless of amount, unless, as with any gift, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds.
- b. Checks shall be made payable to “Hopeful Horizons.” In no event shall a check be made payable to an employee, agent, volunteer, Board of Directors members or a person representing HH.
- c. HH cannot accept cash donations that are designated by the donor to be paid out to specific employees of the organization or used to purchase personal gifts.
- d. To designate funds to a specific program or service of the organization, the gift must be at a minimum of \$250, unless otherwise decided by the CEO.

2. Gifts of Securities:

- a. Publicly Traded Securities: Securities that are traded on any recognized stock exchange and are readily marketable shall be accepted by the organization and be sold upon receipt.
- b. For gift crediting and accounting purposes, the value of the securities is the average of the high and the low on the date of the gift in accordance with Internal Revenue Service (IRS) regulations, or in such other manner as IRS Rulings or regulations may require. The date of the gift is the date that the securities are received to the organization’s account.
- c. Closely Held Securities. Non-publicly traded securities shall be accepted only after consideration of the costs associated with such a gift and may require approval of

the Board of Directors.

3. Gifts of Real Estate - The following restrictions on acceptance of gifts of real estate shall apply:
 - a. No gift of real estate shall be accepted without the approval of the Board of Directors.
 - b. The donor is responsible for obtaining an appraisal of the property by a qualified appraiser.
 - c. All gifts of real estate shall be evaluated to determine a need for an environmental assessment. The cost of such assessment shall be paid for by the donor. The environmental assessment should determine whether a hazardous substance is, or likely could be present on or affecting the property. If the environmental assessment discloses the presence or likely presence of, or a release or threatened release of, a hazardous substance on the property, the transfer of the property to HH will not be accepted until satisfactory documentation is provided to the Board of Directors that federal, state and local environmental authorities have determined that such condition has been remediated. The donor bears the cost of any environmental cleanup or remediation.
 - d. All gifts of real estate encumbered by a mortgage or lien may be rejected for that reason alone.
 - e. Prior to presentation of the gift proposal to the Board of Directors, the donor must provide the following documents:
 - i. Real estate deed
 - ii. Most recent real estate tax bill;
 - iii. Plot plan;
 - iv. Substantiation of zoning status;
 - v. Environmental assessment cost; and/or
 - vi. Any other documentation as may be prudent in the sole discretion of HH.
 - f. Prior to presentation of the gift proposal, the donor must certify in writing that:
 - i. No violations of state, local or federal law exist as to the property;
 - ii. There are no restrictions on the title to the property;
 - iii. No unrecorded rights of way, easements or encumbrances are attached to the property;
 - iv. There are no contractual or other donative commitments to other individuals, corporations, organizations or groups as to the property;
 - v. The property is neither the subject of, nor threatened with, litigation;
 - vi. Any such other certification as may be prudent in the sole discretion of HH.
 - g. If the gift is subject to a retained life estate, the donor shall pay for all or a portion of the following during the donor's lifetime:
 - i. Maintenance costs;
 - ii. Real estate taxes;
 - iii. Insurance;
 - iv. Real estate broker's commission and other costs of sale;
 - v. Appraisal costs; and
 - vi. Any and all other carrying charges of the property.
 - vii. The donor must be advised before making a gift of real estate that the property may be sold upon receipt.
4. Gifts of Life Insurance:
 - a. HH may reject life insurance policies as gifts if the organization is not named as the irrevocable owner and beneficiary of 100% of the policy.
 - b. If the policy is fully paid, the value of the gift for accounting purposes is the policy's replacement cost.

- c. If the policy is partially paid, the value of the gift for accounting purposes is the policy's cash surrender value.
5. Corporate Matching Gifts: Unless the company specifies otherwise, matching gifts from corporations follow the restrictions of the donor whose gift is being matched. If a donor makes an unrestricted gift, the matching gift is unrestricted and, if the donor makes a restricted gift, the match is likewise restricted. HH counts matching gifts toward an individual's gift total in the year the matching gift is received.
6. Pledges: All pledges must have written documentation that contains the following:
 - i. Amount of pledge clearly specified;
 - ii. Pledge period over which the donor will make the gift, which should not normally exceed 5 years;
 - iii. Type of payment (check, credit card, securities);
 - iv. Name, address, phone number and signature of the donor;
 - v. Statement regarding the gifts restricted or unrestricted nature;
 - vi. No contingencies or conditions.
7. Gifts in Kind:
 - a. Donors are responsible for establishing the fair market value of their in-kind gift with a qualified appraisal report by a recognized independent professional appraiser. The qualified appraisal report must be dated no more than 60 days prior to the date of the contribution and it must be prepared in accordance with the requirements of the IRS to substantiate a donor's charitable deduction for non-cash gifts. If the value of the gift in the appraisal is listed as a range of values, the gift will be booked at the midpoint of the range of values.
 - b. In most cases, gifts-in-kind that are produced or manufactured by the corporation or other business making the contribution must include an itemized inventory list, a letter from the vendor/donor, or published information on the value of the items in order to establish the booked value of the gift.
 - c. If the gift triggers the need for completion and filing of IRS Forms 8282 and/or 8283, HHs' CEO/designee, subject to the legal and/or tax advice, shall ensure the organization takes appropriate action in compliance with IRS rules and regulations.
8. Gifts of Personal Property:
 - a. In evaluating the cost associated with receiving a gift of personal property, including jewelry, artwork, collections, collectibles, equipment and other personal property, the following will be taken into consideration: transportation cost, storage cost, cost of selling, cost of maintenance and repairs, location of property, and cost of insurance.
 - b. Gifts of personal property shall be used or sold for the benefit of HH, in the sole discretion of the organization. If sale or disposition of the gift triggers the need for completion and filing of IRS Form 8282, HH's CEO or designee, subject to the legal and/or tax advice, shall ensure HH takes appropriate action in compliance with IRS rules and regulations.
 - c. The value of a gift of personal property shall be determined by a qualified appraisal under the terms of the Internal Revenue Code. Donors must complete IRS form 8283 and all other required government documents, if applicable.
 - d. Donors will be informed at the time of the acceptance of such a gift that HH will cooperate fully with all governmental authorities in all matters related to investigations of non-cash charitable gifts.
 - e. No personal property shall be accepted under conditions that obligate HH to own the property in perpetuity.

B. Deferred Gifts

1. Bequests:

- a. The organization encourages donors to disclose their bequest intentions to HH in writing to ensure that the organization is able to carry out their future wishes and that the gifts conform to this Policy Statement.
- b. Gifts from estates of deceased donors that do not conform to HH's policies may be accepted or rejected and such decision communicated to the personal or legal representative of the estate. If possible, a mutually agreeable plan shall be negotiated between the organization and the representative to make the gift conform to this policy.
- c. HH recommends the following language be included in Bequest: *"I give and bequeath to Hopeful Horizons, Inc., a non-profit corporation established under the laws of the State of South Carolina, (indicate: percentage of estate, residue, sum of money, or otherwise described property)..."*

2. Charitable Lead Trusts:

- a. This type of trust may be designed to make periodic payments to HH for a term of years or for the life of the donor, after which the trust terminates and the assets pass to the designated beneficiaries or remaindermen.
- b. Major gift donors may use charitable lead trusts to fulfill pledge agreements with cash, stock, real estate, or other appropriate things of value which will be acceptable or not as defined by this policy (or a combination of these assets) placed in trusts.
- c. HH will not serve as trustee.

C. Restricted Gifts:

1. Gifts to HH may be restricted in their use if the proposed use is, in HHs' sole discretion, consistent with the organization's mission and the restrictions do not violate the organization's ethical standards or policies and procedures as developed from time to time or require illegal discrimination.
2. HH has the discretion to reject proposed designated or restricted gifts.
3. Acceptance of all restricted gifts and endowments must be approved by the HH's Board of Directors.

D. Gifts to HHs' Endowment:

1. HH's endowed funds shall be managed by either the Coastal Community Foundation (CCF) or the Community Foundation of the Lowcountry (CFL). As such, the endowed funds are subject to the limitations and use requirements established by the managing foundation.
2. Donors may choose to give directly to HHs' endowment at the CCF or CFL, or they can make a gift to HH and request that the gift be transferred to the organization's endowment.
3. The endowment exists to help ensure the long-term sustainability of HH. ; Available funds can be used for general purposes as included in a Board approved budget. Any future limitations on the use of endowed funds shall be defined and approved by the HH Board.

Communication and Training:

The Board shall receive a copy of the policy at the time of periodic review and will have an opportunity to ask clarifying questions during the approval process. Employees and volunteers

shall receive notice of the Board's policy review and approval including notice of any substantive changes. The notice will provide a link to the policy located on the HH website.

Definitions:

1. Bequest: A gift of Personal Property, such as money, stock, bonds, or jewelry, owned by a decedent at the time of death that is directed by the provisions of the decedent's will; a legacy.
2. Charitable Lead Trust: A charitable lead trust is a type of trust in which assets produce income for one or more named charities and then the assets are passed on to the trust beneficiaries once the grantor dies.
3. Endowment: An endowment usually implies that some or all the use of the endowed assets are restricted in some way. Most endowments are designed to keep the principal corpus intact so it can grow over time but allow the nonprofit to use the annual investment income for programs, operations or purposes specified by the donor(s) to the endowment or the board of directors.
4. Gift-in-Kind: A form of charitable giving in which a donor does not give money to buy goods and services the receiving organization needs but, instead, gives the goods and services themselves. There are three general types of in-kind gifts: goods/property, services or expertise.
5. Restricted gifts: A gift given conditionally as defined by the donor or grantor. The receiving organization must account for the gift's use to assure it is spent in accordance with the donor's/grantor's expressed wishes.
6. Tax Exempt Nonprofit: Organizations that meet specified requirements may qualify for exemption under subsections other than 501(c)(3). These include social welfare organizations, civic leagues, social clubs, labor organizations and business leagues.

Other Related Materials:

Gifts Acceptance Procedure

[Donor Bill of Rights](#)

References/Legal Authority:

[Exempt Organization Types, IRS, 2023.](#)

[The Donor Bill of Rights, Association of Fundraising Professionals, 2023](#)

Change Log:

Date of Change	Description of Change	Responsible Party
07.2023	Updates the policy to the new format; Clarifies documentation requirements for exceptions to the guidelines; Adds Communication & Training, Definitions and References.	E. Hall, CDO