

# The American Ceramic Society



## **APPENDIX 7: GIFT ACCEPTANCE POLICY**

# The American Ceramic Society

## Gift Acceptance Policy

The American Ceramic Society (ACerS) solicits and accepts gifts for purposes that will help further and fulfill its mission.

The mission of ACerS is to advance the study, understanding, and use of ceramics and related materials, for the benefit of our members and society.

The ACerS' Board of Directors have a fiduciary responsibility to assure that ACerS' assets are used efficiently and protected from potential liabilities and diversion to purposes other than those that further the mission of ACerS. The following policies and guidelines govern acceptance of gifts made to ACerS for the benefit of any of its operations, programs, or services.

### USE OF LEGAL COUNSEL

ACerS urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

ACerS will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Gifts of securities that are subject to restrictions or buy-sell agreements
- Documents naming ACerS as trustee or requiring ACerS to act in any fiduciary capacity
- Gifts requiring ACerS to assume financial or other obligations
- Transactions with potential conflicts of interest
- Gifts of property which may be subject to environmental or other regulatory restrictions

### RESTRICTIONS ON GIFTS

ACerS will not accept gifts that

- a. would result in ACerS violating its corporate charter,
- b. would result in ACerS losing its status as a not-for-profit organization,
- c. are too difficult or too expensive to administer in relation to their value,
- d. would result in any unacceptable consequences for ACerS, or
- e. are for purposes outside ACerS' mission.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee of the Board of Directors, in consultation with the Executive Director of the Society.

## **GIFTS GENERALLY ACCEPTED WITHOUT REVIEW**

### **Cash**

Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line.

### **Marketable Securities**

Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by The American Ceramic Society's Finance Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift. In such instances, the decision whether to accept the restricted securities shall be made by the ACerS Executive Committee in consultation with the Executive Director of ACerS.

### **Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans**

Donors are encouraged to make bequests to ACerS under their wills, and to name ACerS as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.

### **Charitable Remainder Trusts**

ACerS will accept designation as a remainder beneficiary of charitable remainder trusts.

### **Charitable Lead Trusts**

ACerS will accept designation as an income beneficiary of charitable lead trusts.

## **GIFTS ACCEPTED SUBJECT TO PRIOR REVIEW**

Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

### **Tangible Personal Property**

ACerS Executive Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?

### **Life Insurance**

ACerS will accept gifts of life insurance where ACerS is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.

## **Real Estate**

All gifts of real estate are subject to review by ACerS' Executive Committee. Prior to acceptance of any gift of real estate other than a personal residence, ACerS shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include: Is the property useful for the Society's purposes? Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property? Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property? Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

## **DONOR ACKNOWLEDGEMENT**

ACerS will provide acknowledgments to donors meeting IRS substantiation requirements for property received by the charity as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by ACerS.

ACerS will respect the intent of the donor relating to gifts for restricted purposes and those relating to the desire to remain anonymous. With respect to anonymous gifts, ACerS will restrict information about the donor to only those staff members with a need to know.

ACerS will not compensate, whether through commissions, finders' fees, or other means, any third party for directing a gift or a donor to The American Ceramic Society.

## **ATTACHMENTS**

- A. AFP Donor Bill of Rights
- B. Model Standards of Practice for the Charitable Gift Planner

# A DONOR BILL OF RIGHTS

**DEVELOPED BY:**



Association of Fundraising Professionals (AFP)



Association for Healthcare Philanthropy (AHP)



Council for Advancement and Support of Education (CASE)



Giving Institute: Leading Consultants to Non-Profits

**PHILANTHROPY** is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

## I

To be informed of the organization’s mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

## II

To be informed of the identity of those serving on the organization’s governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

## III

To have access to the organization’s most recent financial statements.

## IV

To be assured their gifts will be used for the purposes for which they were given.

## V

To receive appropriate acknowledgement and recognition.

## VI

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

## VII

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

## VIII

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

## IX

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

## X

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

## **Attachment B: Model Standards of Practice for the Charitable Gift Planner**

### **PREAMBLE**

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

### **I. PRIMACY OF PHILANTHROPIC MOTIVATION**

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

### **II. EXPLANATION OF TAX IMPLICATIONS**

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

### **III. FULL DISCLOSURE**

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

### **IV. COMPENSATION**

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

### **V. COMPETENCE AND PROFESSIONALISM**

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

### **VI. CONSULTATION WITH INDEPENDENT ADVISORS**

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

## **Attachment B: Model Standards of Practice for the Charitable Gift Planner (cont.)**

### **VII. CONSULTATION WITH CHARITIES**

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

### **VIII. DESCRIPTION AND REPRESENTATION OF GIFT**

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

### **IX. FULL COMPLIANCE**

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

### **X. PUBLIC TRUST**

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.