



## **New Bethany Ministries Gift Acceptance Policy and Procedures**

Episcopal Ministries of the Diocese of Bethlehem, Inc., known as New Bethany Ministries (NBM), is organized under laws of the Commonwealth of Pennsylvania for the purpose of serving the people of the Lehigh Valley who are homeless, poor and/or mentally ill. NBM encourages the acceptance of gifts to help the organization further and fulfill its mission. The following guidelines administrate acceptance of gifts made to NBM or for the benefit of any of its programs.

**The mission of New Bethany Ministries is to provide care, services, and facilities to the homeless, the hungry, the mentally ill, and the poor with a level of quality that exceeds that of secular agencies.**

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

The Board of Directors of NBM and its staff have adopted clear policies, based on NBM's specific exempt purpose, to solicit gifts from individuals, corporations, and foundations, and determine whether accepting a gift would compromise its ethics, financial circumstances, program focus or other interests. The policies and guidelines set forth below are designed to ensure that all such gifts protect the best interests of the donor and the welfare of NBM. They govern the solicitation and acceptance of gifts and provide guidance to prospective donors, their advisors, and/or other individuals soliciting gifts on behalf of NBM. The provisions of these policies shall apply to all gifts offered to or received by NBM for any of its programs or services.

### **II. Acceptable Gifts; Restrictions on Gifts**

NBM will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts (1) are not inconsistent with NBM's stated mission, purposes, and priorities, and (2) place no undue financial or other burdens on the organization. NBM will not accept gifts that are too restrictive in purpose or that come from sources which represent interests contrary to those of NBM. Gifts that are too restrictive may include those that: (1) violate the terms of the corporate charter or by-laws, or (2) are too difficult to administer or (3) are for purposes not in keeping with the mission of NBM. **All final decisions** on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors or its Executive Committee upon recommendation by the Gift Acceptance Committee.

### **III. The Gift Acceptance Committee: Responsibilities and Membership**

The Gift Acceptance Committee is charged with the responsibility of reviewing gifts offered or made to NBM, properly screening these gifts, accepting or declining them, and making recommendations regarding the acceptance or refusal to the Board of Directors or its Executive Committee. In addition, if any member of NBM's staff or Board requests an advance determination on whether a donation from a specific individual, corporation or foundation will be accepted, the Committee will review the request and make a recommendation to the Board of Directors or its Executive Committee regarding acceptance or refusal of a donation from that specific source. **For purposes of this policy, the Gift Acceptance Committee will review all gifts except: in-kind donations of food, equipment, furniture and clothes, cash or cash pledges from individuals, donations received from fundraising events, or publicly-traded securities providing they are not inconsistent with NBM's stated mission, purposes, and priorities.**

The Gift Acceptance Committee shall consist of:

- a member of the Executive Committee
- a member of the Finance Committee
- a member of Program Committee
- a member of Strategic Planning Committee
- Executive Director or designee or substitute (non-voting, ex officio)

The Executive Director or designee or substitute will arrange for committee meetings as notice of potential contributions requiring review is received.

#### **IV. Use of Legal Counsel**

NBM may seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate.

Review by counsel is recommended for:

- A. Documents naming NBM as Trustee
- B. Gifts involving contracts requiring NBM to assume an obligation
- C. Transactions with potential conflicts of interest that may invoke IRS sanctions
- D. Any other Non-Routine gifts (for example, closely held stock, closely held stock subject to buy-sell agreements, real estate, and works of art) for which outside expertise is needed.

#### **V. Types of Gifts**

NBM will gratefully consider the following kinds of gifts subject to the provisions and procedures set forth above providing they are not inconsistent with NBM's stated mission, purposes, and priorities.

- A. Cash
- B. Tangible Personal Property
- C. Publicly-Traded Securities
- D. Other Securities
- E. Real Estate
- F. Life Insurance
- G. Charitable Remainder Trusts
- H. Charitable Lead Trusts
- I. Retirement Plan Beneficiary Designations
- J. Bequests
- K. Life Insurance Beneficiary Designations

In general, in-kind gifts that are received for use at NBM events or by its programs generally need not be reviewed by the Gift Acceptance Committee.

NBM will record a gift received by the Agency at its valuation on the date of the gift.

Through the Gift Acceptance Committee, the organization will also consider additional types of gifts, if and when, they are offered and on a case by case basis.

#### **VI. Criteria for Gift Acceptance**

The Gift Acceptance Committee will take into account the following criteria in determining gift acceptance and any conditions or requirements relating to such acceptance.

##### **A. Cash:**

Cash gifts are acceptable in the form of checks, credit card payments, and other cash equivalents.

### **B. Tangible Personal Property:**

All other gifts of tangible personal property (for example, works of art) shall be examined in light of the following criteria:

- Does the property support the mission of NBM?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

NBM may require an appraisal of the property and, where appropriate, may obtain a title binder prior to acceptance of the gift. Costs associated with the appraisal and title binder shall generally be an expense of the donor. As a general rule, accepted gifts of tangible personal property may be sold upon receipt.

### **C. Publicly-Traded Securities:**

Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities may be sold upon receipt. In some cases marketable securities may be restricted by applicable securities laws. In such instance the final determination on acceptance shall be made by the Board of Directors or its Executive Committee upon recommendation by the Gift Acceptance Committee.

### **D. Closely Held Securities**

Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Board of Directors or its Executive Committee upon recommendation by the Gift Acceptance Committee. 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. As a general rule, accepted gifts of closely held securities may be sold upon receipt.

### **E. Real Estate:**

Prior to acceptance of real estate, NBM will require an initial environmental review of the property to determine the extent of any environmental damage or special requirements. Environmental inspection forms will be developed and made available as needed at the time of the intended donation. In the event that the initial inspection reveals a potential problem, NBM will retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

NBM will also require an appraisal of the property, and, when appropriate, will obtain a title binder prior to the acceptance of the real property gift. The cost of the appraisal and title binder shall generally be an expense of the donor.

Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of NBM?
- Is the property marketable? • Are there any restrictions, reservations, easements, or other limitations associated with the property, including restrictions on its transferability?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect environmental or other physical problems which cannot be remedied at a cost New Bethany can afford?

**F. Life Insurance Policies:**

NBM must be named as both beneficiary and irrevocable owner of a life insurance policy before such policy can be recorded as a gift. NBM will ask that the donor contribute all future premium payments. Valuation of life insurance gifts may require the advice of outside financial and/or legal advisors upon acceptance of each gift.

**G. Charitable Remainder Trusts:**

NBM may accept designation as remainder beneficiary of a charitable remainder trust, but will not accept appointment as a Trustee.

**H. Charitable Lead Trusts:**

NBM may accept a designation as income beneficiary of a charitable lead trust, but will not accept appointment as a Trustee.

**I. Retirement Plan Beneficiary Designations:**

NBM encourages donors and supporters to name NBM as a beneficiary of their retirement plans. Such designations will not be recorded as gifts to NBM until such time as the gift is irrevocable.

**J. Bequests:**

NBM encourages donors and supporters to make bequests under their wills and trusts. Such bequests will not be recorded as gifts to NBM until such time as the gift is irrevocable.

**K. Life Insurance Beneficiary Designations:**

NBM encourages donors and supporters to name NBM as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts until such time as the gift is irrevocable.

**VII. Stewardship**

In accepting a gift, NBM also accepts a responsibility to administer the gift properly, and in accordance with current IRS reporting requirements, provide formal acknowledgement and financial information about the gift, comply with donor requests for anonymity and, if agreed when the gift is accepted, report to the donor about use of the funds.

**VIII. Changes to Gift Acceptance Policies**

NBM’s Board of Directors, upon recommendation by the Gift Acceptance Committee, has reviewed and accepted these policies and guidelines. The Board of Directors intends to arrange for annual reviews of this policy and must approve any future changes.

Approved on: \_\_\_\_\_  
Month Day Year

**Name of Donor:** \_\_\_\_\_  
**Value of Gift: \$** \_\_\_\_\_  
**Form or Type of Gift:** \_\_\_\_\_  
**Date of Gift:** \_\_\_\_\_



## GIFT ACCEPTANCE CHECKLIST

### All Gifts

- Delivery/acceptance of gift. Date: \_\_\_\_\_
- Fund agreement in file with clear instructions on additions
- Prior approval (when required based on form of gift)

Donor's attorney: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Donor's accountant: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Appraiser: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Other professional: \_\_\_\_\_ Phone: \_\_\_\_\_

### Public Securities

Form of delivery:  Electronic  Physical  
 If electronic delivery, firm name and telephone number: \_\_\_\_\_  
 If physical delivery, stock power? \_\_\_\_\_  
 Any restrictions on sale? If so, describe: \_\_\_\_\_  
 \_\_\_\_\_  
 Value of stock on date of gift: \$ \_\_\_\_\_

### Private Securities

Form of delivery:  Electronic  Physical  
 Form of holding:  C Corporation  S Corporation  LLC  
                            LLP  Partnership  
 Are there costs to NBM on acceptance or sale?  Yes  No  
 Donor's basis: \_\_\_\_\_  
 Are there consequences to the donor on disposition? \_\_\_\_\_  
 Is the asset subject to a buy-sell agreement? \_\_\_\_\_  
 Are there other restrictions on sale? \_\_\_\_\_  
 What is the likely market for sale? \_\_\_\_\_  
 Copy of appraisal in file  
     o Notes: \_\_\_\_\_  
 Approval of gift acceptance committee  
     o Notes: \_\_\_\_\_

**Real Estate**

Form of gift:     Outright                       Retained Life Interest                       Bargain Sale  
                          Testamentary

Form of ownership:     Sole                       Joint/Survivor                       Undivided/Ten. In Common

Location: \_\_\_\_\_

Legal description in file  
    o Notes: \_\_\_\_\_

Date of delivery of deed: \_\_\_\_\_

Copy of appraisal in file  
    o Notes: \_\_\_\_\_

Separate appraisal required?                       Yes                       No

Environmental review in file?                       Yes                       No                      Date of review: \_\_\_\_\_

Type of property?  Residential                       Commercial                       Undeveloped                       Farmland  
 Oil/gas                       Mineral Rights                       Air Rights                       Tiber

Annual income from property? \$ \_\_\_\_\_

If commercial property, provide financials from last 3 years. Date received: \_\_\_\_\_

If property is leased, provide copy of lease agreement. Date received: \_\_\_\_\_

Annual property costs: Insurance \$ \_\_\_\_\_ Maintenance \$ \_\_\_\_\_

Property taxes \$ \_\_\_\_\_

Is there debt on the property?                       Yes                       No

If yes, provide a copy of current statement. Date received: \_\_\_\_\_

Describe the debt: \_\_\_\_\_

Are there any easements, liens, lawsuits, regulatory designation or other restrictions on the property?     Yes                       No

Please describe: \_\_\_\_\_

Has the property been offered to other charities within the last three years?     Yes                       No

Approval of gift acceptance committee  
    o Notes: \_\_\_\_\_

Other comments: \_\_\_\_\_

\_\_\_\_\_

**Tangible Personal Property**

Is the property related use or unrelated use? \_\_\_\_\_

If property is related use, are there any restrictions on use of the item? \_\_\_\_\_

Will the property be sold on receipt?       Yes       No

What is the likely market? \_\_\_\_\_

What are the costs of sale? \$ \_\_\_\_\_

Description of object: \_\_\_\_\_

Location of object: \_\_\_\_\_

What is the value (include an appraisal in file, if available): \$ \_\_\_\_\_

Cost of holding item (insurance, safeguarding, transport, other) \$ \_\_\_\_\_