

# Gift Acceptance Policy

Adopted July 2022



## 1. Acceptance of Gifts: General Provisions

HopeCo solicits and accepts gifts that are demonstrably consistent with its vision, mission, and values and support its core programs and special projects. Donor gifts are critical to the continued existence of HopeCo.

Financial donations and other gifts, including stocks, bequests, and in-kind donations, will generally be accepted from individuals, partnerships, corporations, churches, foundations, government agencies, and other entities.

## 2. HopeCo's Philosophy of Fundraising

**The concept of stewardship is central to our approach to fundraising.** This is grounded in the belief that HopeCo serves as a channel for the supporter's purpose. The experience should be relational, meaningful, and *transformational for our partners*. We recognize that all resources come from the abundance at God's disposal. We trust Him to provide for our needs and will steward the resources that He provides with excellence.

**We believe the following:**

- **Raising funds is part of our ministry.** It is a way for us to share the vision and mission that God has given us and invite others to join us on the journey. Fundraising is about the growth of God's Kingdom, and it is done for His glory!
- **Raising funds is about building relationships and community,** not simply making transactions. We want to make friends as we partner together, listening well to one another, and recognizing that we accomplish much more together than we ever could alone. Fundraising is about investing in long-term relationships, not short-term wins!
- **Raising funds is Christ-centered.** It is grounded in prayerful discernment and results in gratitude. We must listen to the Holy Spirit, allowing God to work through us and celebrate the good gifts that come from Him.
- **Raising funds requires us to be truthful and act with integrity** in all our communications. This means being clear on our goals and plans and being transparent and accountable about the results. This includes our failures when necessary.

## 3. Reviewing Potential Gifts Before Acceptance

Certain types of gifts must be reviewed before acceptance due to the unique liabilities they may pose for HopeCo. When considering whether to solicit or accept donations, HopeCo will consider whether:

- Acceptance of the gift compromises in any way HopeCo's Christ-centered vision, mission, and values
- There is compatibility between the intent of the donor and HopeCo's use of the gift
- There are special or challenging reporting requirements that HopeCo must meet
- The primary benefit of the gift is to HopeCo versus the donor
- Acceptance of the gift may damage HopeCo's reputation or legal standing as a 501(c)(3) not-for-profit organization
- Acceptance of the gift is consistent with prior practice and organizational policies
- The gift is offered in a form that HopeCo can use without incurring substantial expense or difficulty
- The gift may encourage or discourage future gifts

Decisions to solicit and/or potentially accept the following types of gifts will be made by the HopeCo board and/or its Executive Committee:

- Gifts of real estate or personal property
- Potentially controversial gifts
- Gifts that may cause a conflict of interest for a board member or staff member

The primary consideration will be the impact of the gift on the organization.

HopeCo will seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate and necessary. HopeCo will also consult the guidelines of the Evangelical Council for Financial Accountability (ECFA) and will meet its expectations for financial management and transparency regarding gifts received.

#### **4. Donor Restrictions and Intent**

**Donors may restrict their gifts to a specific project, program, or country. HopeCo will use gifts according to the donor's intent and any restrictions imposed.**

- If a specific project is overfunded, HopeCo will use the funds on a similar program or project and in a manner that clearly reflects donor intent.
- On rare occasions when HopeCo may not be able to utilize a gift in accordance with donor intent, HopeCo will approach the donor to request that the donor change the terms of the restriction. If the donor is not willing to do this, the gift may need to be returned to the donor.
- Gifts received that are not subject to any donor restriction will be considered unrestricted and used for general purposes.
- Restricted gifts will be held in restricted funds. The donor will be informed that their gift has been restricted according to their wishes and receive an update once their donation has been utilized.

## 5. Additional Detail and Considerations

**i. Cash Gifts:** Cash gifts are acceptable in any form, including by check, credit card, and online. Checks must be sent to the HopeCo office and should be made out to “HopeCo.” Other working names (i.e., “Teamwork Ministries International,” “Teamwork City of Hope,” etc.), are also acceptable on checks. Cash gifts will be handled in accordance with HopeCo’s Finance Policy manual.

**ii. Securities:** These can be publicly traded and privately held, as follows:

- Publicly traded securities present relatively few problems to charities receiving them as noncash gifts. To protect the donor’s deduction, ownership of the securities must be transferred entirely to HopeCo before they are sold.
- Privately held securities may present valuation and disposition issues. The best market for the securities may be the privately held company or another shareholder. No contract or agreement to sell them should be made before HopeCo has complete ownership.

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 typically be sold promptly upon receipt unless otherwise agreed by senior staff.

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 Executive Committee shall decide whether to accept the restricted securities.

**iii. Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities, and Retirement Plans:** Donors are encouraged to make bequests to HopeCo under their wills and to name HopeCo as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.

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

**iv. Real Property:** Accepting gifts of real estate will be approved by the HopeCo board. The following factors will be considered in making a decision:

- The need for an initial environmental review/audit by a qualified environmental firm
- Whether property titles are clear
- Whether the property is useful to HopeCo and is readily marketable
- Any restrictions, encumbrances, obligations, or other limitations related to the property and its use
- Any carrying costs (e.g., taxes, insurance, etc.) and maintenance costs that will be incurred
- Any initial repairs that are needed and the costs of these

**v. Tangible Personal Property:** The 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 HopeCo’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 HopeCo may be responsible?
- Is the title/provenance of the property clear?

The tax deduction for tangible personal property (other than vehicles - see below) depends in part on the use of the property by HopeCo:

- If the property is used by HopeCo in accomplishing its exempt purpose, the donor’s contribution deduction is equal to the fair market value at the time of the donation.
- If the property is sold, the donor’s contribution deduction is only the donor’s basis (typically what the donor paid for it, or if it has been used in business, the depreciated value).

While most personal property goes down in value over time, antiques and artwork may appreciate significantly in value. Prospective contributions of these types of gifts will be handled with careful consideration.

**vi. Donor-Advised Funds:** The term “donor-advised fund” means “a fund or account (i) which is separately identified by reference to contributions of a donor or donors, (ii) which is owned and controlled by a sponsoring organization, and (iii) with respect to which a donor (or any person appointed or designated by such donor) has, or reasonably expects to have, advisory privileges with respect to the distribution or investment of amounts held in such fund or account by reason of the donor’s status as a donor” (IRC § 4966(d)(2)). Donor-advised funds are a popular and lawful method for a donor to receive a contribution deduction in one year and generally influence the gift’s use by an entirely different organization in a later year. The legal definition does not require that the donor be able to control the use of the funds; it is enough that the donor expects to be able to advise on the use of the funds. In establishing and maintaining donor-advised funds, HopeCo will consult with a tax attorney regarding appropriate documents and policies to assure compliance with the statute and related regulations.

**vii. Vehicles:** HopeCo recognizes that charitable deductions for vehicles contributed to charity have certain limitations and include specific handling and reporting requirements and time limits based on the donation date and the vehicle’s use or sale. HopeCo will follow all current IRS guidelines in such cases, including filing all required forms with the IRS, with copies to the donor.

**viii. Noncash Gifts:** Noncash gifts may represent additional management and processing expenses, and there may be a delay in obtaining cash to help the organization. Additionally, noncash gifts often have specific risks and reporting issues associated with them.

For non-cash gifts, HopeCo recognizes that the organization and its donors have reporting obligations in addition to the normal receipting and quid pro quo requirements:

- Gifts less than \$500: The donor keeps a record of gifts, but there are no special valuation documentation requirements.
- Gifts of \$500 to \$5,000: Donor files Form 8283 with their tax return, which includes a written description of the gift, but HopeCo does not sign Form 8283. An appraisal is not formally required.
- Gifts of over \$5,000 to \$500,000: The donor must obtain a qualified appraisal and include an appraisal summary signed by HopeCo (Form 8283) with the donor's tax return.
- Gifts over \$500,000: The donor must obtain a qualified appraisal and include an appraisal summary, signed by HopeCo (Form 8283), with the donor's tax return. The donor also includes the actual appraisal with the donor's tax return.
- Sale or Disposal of Donated Property: HopeCo must file Form 8282 if it sells or otherwise disposes of any property within three years of the donation for which it signed Form 8283.
- Intellectual Property: Above rules are followed, but in addition, HopeCo files Form 8899 annually to report income earned through the exploitation of intellectual property.
- Vehicles: HopeCo prepares Form 1098-C according to its instructions, files it with the IRS, and provides copies to the donor.

## 6. Policy Review

This policy will be reviewed every two years, or more often as needed, by the Board Fund Development Committee, which will recommend any changes to the entire Board. The next review will be held in July 2024.