

**Central Missouri Humane Society**  
**Gift Acceptance Policies**  
Draft: June 22, 2018

*In continuous operation since 1943, the Central Missouri Humane Society promotes the well-being of companion animals – pets that enrich the lives of the people who love them.*

This document is intended to govern the acceptance of charitable gifts by Central Missouri Humane Society and to provide general guidance to prospective donors and their advisors when making charitable gifts supporting the organization. It is understood that, except where stated otherwise, these policies are intended as guidelines and flexibility must be maintained, since some gift situations can be complex and decisions made only after consideration of a number of inter-related factors.

**I. Unrestricted Gifts**

Contributions that are not earmarked for specific use are of primary importance and greatest value in support of Central Missouri Humane Society’s Mission. Unrestricted gifts allow the organization to channel resources where the needs are the greatest in accomplishment of its Mission.

**II. Restrictions on Gifts**

In general, Central Missouri Humane Society welcomes and accepts charitable gifts specifically designated to support ongoing operations, programs, capital projects, acquisitions, endowments, and other special projects. Gifts designated for specific use will be administered and used in accordance with the donor’s intent, as allowed by subsequent provisions in these Guidelines.

The organization reserves the right to refuse gifts that are not consistent with the stated Mission, purposes, and priorities of Central Missouri Humane Society. The organization will not accept gifts that are too restrictive in nature or are inappropriately restricted.

Gifts that may be considered to be too restrictive or inappropriately restricted include, but are not limited to, (1) those that violate the terms of Central Missouri Humane Society’s organizational documents, statutes or by-laws, (2) gifts that are too difficult to administer, (3) gifts that are contrary to applicable legal, ethical or professional standards, (4) gifts that could bring disrepute to Central Missouri Humane Society or (5) gifts intended for purposes outside the organization’s Mission.

**III. Authority to Accept Gifts**

Ultimate authority for acceptance of gifts by Central Missouri Humane Society rests with the Board of Directors. The Board of Directors has delegated authority to Central Missouri Humane Society’s Executive Director and Development Committee as set forth in these Guidelines.

Except as provided in these Guidelines and subject to the terms of these Guidelines, the Executive Director of Central Missouri Humane Society (or his or her designee) shall have the authority to accept gifts on behalf of Central Missouri Humane Society.

The Executive Director of Central Missouri Humane Society may elect to seek the guidance of the Development Committee with respect to the consideration of any proposed gift. The Development Committee is responsible for deciding whether to accept any gift of: (i) closely-held securities or restricted or non-marketable securities, (ii) real estate, (iii) remainder interests in property and (iv) bargain sales.

Meetings of the Development Committee may be held in person at such place as shall be designated from time to time by the member of the Development Committee calling the meeting, provided that members of the Development Committee may participate in such meeting by means of telephone conference or other electronic communication.

Any action required or permitted to be taken by the Development Committee may be taken without a meeting by the written consent of all of the members of the Development Committee. The affirmative vote, approval, or consent of a majority of the members of the Development Committee shall constitute a valid decision of said Committee.

#### **IV. Types of Gifts**

As a general matter, Central Missouri Humane Society welcome and accept charitable gifts made through the following means which are intended to support Central Missouri Humane Society's ongoing operations, programs, capital projects, acquisitions, endowments, and other special projects, subject to the provisions of these Guidelines:

1. Cash
2. Tangible Personal Property
3. Professional Services
4. Securities
5. Real Estate
6. Remainder Interests in Property
7. Bargain Sales
8. Life Insurance
9. Charitable Gift Annuities
10. Charitable Remainder Trusts
11. Charitable Lead Trusts
12. Retirement Plan Beneficiary Designations
13. Bequests
14. Other types of gifts as deemed acceptable by the Development Committee

The following general criteria govern the acceptance of each type of gift listed above.

1. Cash: Cash is acceptable in any form. Preferably, checks will be made payable to “Central Missouri Humane Society” and be delivered to Central Missouri Humane Society’s administrative offices.
2. Tangible Personal Property: Central Missouri Humane Society may accept gifts of tangible personal property, subject to these Guidelines.

For gifts of tangible personal property, Central Missouri Humane Society will require evidence of the donor's title to the property and authority to make the proposed gift.

Central Missouri Humane Society may accept gifts tangible personal property which are useful in the accomplishment of Central Missouri Humane Society’s Mission and/or constitute a “related use” consistent with Central Missouri Humane Society’s Mission as a public institution. Gifts of property accepted by Central Missouri Humane Society should entitle the donor to a tax deduction equal to the fair market value of the item(s).

In support of a claim for a charitable tax deduction, donors may be required to comply with certain appraisal rules, as established by the Internal Revenue Service. It is the donor's responsibility to determine whether it is necessary to obtain an appraisal of a proposed gift of property and, if so, to secure such appraisal. Central Missouri Humane Society does not perform appraisals and cannot serve as a qualified appraiser under the tax laws.

In addition to an outright gift of tangible property, in special circumstances, donors may wish to consider a partial interest gift, a loan, and/or a bargain sale.

In some cases, a donor and Central Missouri Humane Society may both benefit from a gift of less than the donor’s whole interest in an object, but such gift arrangements are governed by a whole body of laws, IRS regulations, rules, and court cases. Donors should consult with their tax and legal advisors, the appropriate curator, and Central Missouri Humane Society’s development staff before completing a partial interest gift, loan or bargain sale.

Central Missouri Humane Society may accept tangible personal property which is not related to Central Missouri Humane Society’s Mission, but will liquidate such property as soon as reasonably possible in order to produce cash. In determining whether to accept an item of tangible personal property which is not related to Central Missouri Humane Society’s Mission, Central Missouri Humane Society will consider a number of factors, including:

- *Are there any restrictions or liabilities on the use or sale of the property?*
- *Are there any carrying costs for the property?*
- *Is the property marketable?*

Central Missouri Humane Society must be able to determine the gift's value and marketability before accepting tangible personal property. In general, Central Missouri Humane Society will not accept gifts which run the risk of creating a negative cash flow transaction.

Donors should make their tax advisors aware of any gifts of tangible personal property which are unrelated to Central Missouri Humane Society's Mission, because gifts of such property have more limitations on their deductibility than gifts of tangible personal property used by Central Missouri Humane Society in the performance of Central Missouri Humane Society's Mission.

3. Professional Services: Central Missouri Humane Society may accept the donation of in-kind or reduced fee services, provided that they are services that Central Missouri Humane Society desires and would have otherwise procured by engaging a service provider or using its own employees. Among the factors to be considered prior to accepting the donation of in-kind or reduced fee services, Central Missouri Humane Society must confirm that the performance of the services does not present a conflict of interest.
4. Securities: Central Missouri Humane Society may elect to accept both publicly- traded securities and, in appropriate circumstances, closely-held securities. Any gift of securities will be effective on the day such securities are transferred into the donee's account.

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 will be sold upon acceptance unless approved by the donee in writing in advance of the transfer.

In some cases, marketable securities may be restricted by applicable securities laws; in such instances, the final determination on the acceptance of the restricted securities will be made by the Development Committee.

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, may, in appropriate circumstances, be accepted by Central Missouri Humane Society subject to the approval of the Development Committee. However, gifts of such interests must be reviewed prior to acceptance to determine

that there are no restrictions on the security that would prevent the donee from ultimately converting those assets to cash, that the security is marketable, that there is no liability to the donee in holding the security, or that the security will not generate any undesirable tax consequences for the donee, such as unrelated business tax income.

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.

The final determination on the acceptance of closely-held securities will be made by the Development Committee. Every reasonable effort will be made to sell non-marketable securities as quickly as possible.

5. Real Estate: In appropriate circumstances, Central Missouri Humane Society may accept gifts of real estate.

These gifts may include developed property, undeveloped property, gifts subject to a prior life interest or oil, gas and mineral interests. Prior to the acceptance of any interest in real estate, Central Missouri Humane Society must conduct the following due diligence with respect to the property:

- (a) conduct a site visit to inspect the property;
- (b) engage a licensed environmental professional to conduct a Phase I environmental site assessment. If the Phase I environmental site assessment reveals any recognized environmental conditions, Central Missouri Humane Society may elect to undertake additional testing;
- (c) obtain a commitment for title insurance policy or other title report and confirm that the donor's title is acceptable to Central Missouri Humane Society; and
- (d) any other inspections, inquiries and/or tests which Central Missouri Humane Society deems necessary.

If the gift is accepted, Central Missouri Humane Society will obtain a title insurance policy at the time the deed is recorded.

Central Missouri Humane Society and the donor will agree upon who will bear the responsibility for any costs associated with Central Missouri Humane Society's due diligence prior to Central Missouri Humane Society incurring any such cost.

Prior to acceptance of the real property, the gift must be formally approved by the Development Committee. In addition to a review of the due diligence conducted by

Central Missouri Humane Society, criteria for acceptance of the property may include questions such as the following:

- *Is the property useful for the purposes of Central Missouri Humane Society?*
  - *Is the property marketable?*
  - *Are there any restrictions, reservations, easements, or other limitations or liabilities associated with the property?*
  - *Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?*
  - *Does the environmental site assessment reflect any concerns?*
6. Remainder Interests in Property: Central Missouri Humane Society may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions listed in the "Real Estate" section above.

The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, Central Missouri Humane Society may either use or sell the property.

Where Central Missouri Humane Society receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any other property indebtedness are to be paid by the donor or primary beneficiary.

7. Bargain Sales: Central Missouri Humane Society may enter into a bargain sale arrangement in instances in which the bargain sale furthers the Mission and purposes of Central Missouri Humane Society. In a bargain sale, the recipient purchases property from a seller/donor at a discounted price and simultaneously accepts, as a gift from the seller/donor, the amount of the discount. All bargain sales must be reviewed and approved by the Development Committee.

As a general practice, Central Missouri Humane Society will obtain an independent appraisal substantiating the value of the property.

With respect to bargain sales of tangible personal property and real estate which is not useful in the accomplishment of Central Missouri Humane Society's Mission, prior to accepting the gift, the donee must review the same considerations regarding marketability and costs to safeguard, insure, and maintain the property (including property tax, if applicable) during any holding period as with any other property which is not useful in the accomplishment of Central Missouri Humane Society's Mission.

8. Life Insurance: Central Missouri Humane Society must be named as both beneficiary and irrevocable owner of an insurance policy before the policy can be accepted as a gift.

If the donor contributes future premium payments, the donee will include the entire amount of the additional premium payment as a gift in the year it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the donee of the gift may continue to pay the premiums, convert the policy to paid up insurance, surrender the policy for its current cash value, or sell it in the viatical market.

At all times, the donee of the gift reserves the right to cash in any insurance policy or retain it as an investment, at the donee's option.

9. Charitable Gift Annuities: A Charitable Gift Annuity is a contractual arrangement entered into between a donor and Central Missouri Humane Society. In return for the transfer of assets, including cash, Central Missouri Humane Society will agree to pay an annuity for the life expectancy of the donor or other individual. The value of the annuity to be received is less than the value of the assets transferred, thereby creating a charitable gift.

Generally, charitable gift annuities will not be accepted for less than \$10,000 or for those individuals under 70 years of age. No more than two life income beneficiaries will be permitted for any gift annuity. Annuity payments will generally be made on a quarterly, semi-annual, or annual schedule.

Central Missouri Humane Society will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current, charitable gift annuities. Central Missouri Humane Society may accept such property in exchange for a deferred gift annuity, so long as there is at least a five-year period before the commencement of the annuity payment date, the value of the property is reasonably certain and Central Missouri Humane Society has approved the arrangement in advance.

The annuity payment to the donor is an unsecured, general obligation of Central Missouri Humane Society. Funds contributed in exchange for a gift annuity may be set aside and invested during the term of the annuity payments. Funds representing the remaining principal contributed in exchange for a gift annuity will be transferred to Central Missouri Humane Society's General Endowment Fund, or to such specific fund as determined by Central Missouri Humane Society.

Charitable Gift Annuities are only accepted in states in which Central Missouri Humane Society is registered to provide charitable gift annuities.

As required by the Philanthropy Protection Act of 1995, planned gift (charitable gift annuity, charitable remainder trust, charitable lead trust) donors must countersign a copy of the disclosure statements to evidence their receipt of the documents.

10. Charitable Remainder Trusts: Central Missouri Humane Society may accept designation as remainder beneficiary of a charitable remainder trust. The Trustee for a trust will be determined by the donor and may be a corporate trustee or other person or entity having the power and authority to perform the duties of a trustee.

The remainder trust pay-out will be at least five percent (5%) per annum or such other minimum amount of return as specified by applicable law. The maximum annual pay-out will not exceed any limit established by law.

Because of the potential for conflicts of interest and the scope of the required duties, neither Central Missouri Humane Society, Central Missouri Humane Society nor any current staff member shall serve in their professional capacity as the trustee of a Charitable Remainder Trust.

The cost of creation and administration of a Charitable Remainder Trust will generally not be warranted for a trust with less than \$100,000 in assets.

As required by the Philanthropy Protection Act of 1995, planned gift (charitable gift annuity, charitable remainder trust, charitable lead trust) donors must countersign a copy of the disclosure statements to evidence their receipt of the documents.

11. Charitable Lead Trusts: Central Missouri Humane Society may accept a designation as income beneficiary of a Charitable Lead Trust.

Because of the potential for conflicts of interest and the scope of the required duties, neither Central Missouri Humane Society nor any current staff member shall serve in their professional capacity as the trustee of a Charitable Lead Trust.

The fixed rate of return on unitrust and annuity trust agreements will be determined by the donor in consultation with the donee (and the Trustee, when appropriate) and will be specified in the relevant agreement.

The cost of creation and administration of a Charitable Lead Trust will generally not be warranted for a trust with less than \$100,000 in assets.

As required by the Philanthropy Protection Act of 1995, planned gift (charitable gift annuity, charitable remainder trust, charitable lead trust) donors must countersign a copy of the disclosure statements to evidence their receipt of the documents.



12. Retirement Plan Beneficiary Designations: Donors and supporters of Central Missouri Humane Society are encouraged to name Central Missouri Humane Society as beneficiary of their retirement plans.

13. Bequests: Donors are encouraged to make bequests to Central Missouri Humane Society through their wills and trusts.

Bequests will not be recorded as gifts unless the gift is irrevocable. When the bequest is irrevocable, but is not due until a future date, the present value of that gift may be recorded as a pledge at the time the gift becomes irrevocable. Because of the potential for conflicts of interest and the scope of the required duties, neither Central Missouri Humane Society nor any current staff member shall serve in their professional capacity as the executor of an estate or the successor trustee of a lifetime trust.

13. Other:

## **V. Recognition and Naming Opportunities**

Central Missouri Humane Society has established the levels of funding for the creation of specified Naming rights for physical spaces in the facility. Commemorative gift opportunities, including Naming rights for the campaign are outlined in the campaign materials. The lifespan for Naming Rights of physical spaces in the facility is 30 years.

The amount the donor is recognized for giving equals the reported value of the gift. A lesser amount may be permitted, if approved by the Board of Directors, and only under special circumstances.

Naming rights for new facilities require at least fifty-one percent (51%) of the total construction costs are committed and secured by the donor. The Board of Trustees may make an exception to this policy.

## **VI. Gift Crediting**

"Crediting" and "reporting" refer to how a gift is counted, not how it is recognized. A corporate gift made in honor of an individual, for example, will be credited toward corporate gift totals, but could be recognized in honor of the individual.

A personal gift commitment is defined as a gift commitment from an individual or the individual's family, or a gift commitment made through the individual's personal or family foundation, or through a business entity controlled by the individual or family.

For purposes of gift crediting, corporate matching gifts also will be counted as personal gifts.

Gift commitments that are not to be counted as personal gifts for purposes of gift crediting are: a corporate gift obtained by an individual, a corporate gift given in honor or recognition of the individual, and a corporate, foundation and organizational/governmental gift or grant over which the individual may only have allocation discretion.

## **VII. Gifts to Establish Endowed, Named and Supporting Funds**

Central Missouri Humane Society has established the following minimum levels of funding for the creation of specified endowments, named funds, and supporting funds.

A named fund may be established through a minimum total commitment of \$100,000. The maximum time allotted to bring the named fund to the minimum total is five years.

Unless designated by the donor, the named funds will be allotted to a fund determined by the donee.

At the direction of the Development Committee, Central Missouri Humane Society may establish and maintain a General Endowment. In this case donors who do not wish to create a named fund, but who desire to broadly direct their support toward endowment can designate the General Endowment.

Any endowment must be fully paid in, or accumulated income from a fund must equal 5% of the established minimum level before income can be used for the purposes specified by the endowment.

## **VIII. Use of Legal Counsel**

Central Missouri Humane Society may seek the advice of legal counsel in matters relating to acceptance of gifts. Central Missouri Humane Society generally will consult with legal counsel with regard to proposed gifts of closely-held stock, real estate, gifts involving bargain sales, charitable gift annuities, charitable remainder trusts and charitable lead trusts, gifts involving a potential conflict of interest or any gifts which may lead to legal liability for Central Missouri Humane Society.

Central Missouri Humane Society strongly encourages prospective donors to consult and rely on their own counsel in matters of tax and estate-planning considerations related to their gifts. Central Missouri Humane Society will not review and comment on wills or lifetime trusts except to ensure that Central Missouri Humane Society is properly named in the instrument and that any proposed restrictions are acceptable to Central Missouri Humane Society.

## **IX. Donor Advised Funds**

Central Missouri Humane Society accepts gifts from donor-advised funds and private foundations.

When benefits (including membership) are provided in return for a contribution from a donor- advised fund or private foundation and the donor does not waive the benefits, Central Missouri Humane Society cannot sign an acknowledgement representing that no goods or services were provided in return for the contribution from the donor-advised fund or private foundation, even if the individual pays separately for the non-deductible portions.

In such circumstances, Central Missouri Humane Society will issue a receipt stating that goods and/or services were received and indicating both the tax-deductible and non-deductible portion of the gift.

Similarly, Central Missouri Humane Society will not accept contributions from a donor-advised fund or private foundation to satisfy an individual's legally-binding pledge.

## **X. Miscellaneous Provisions**

It is the donor's responsibility to secure appraisals for his or her own tax-reporting purposes. It is also the donor's responsibility to secure independent legal, tax, financial and estate advice for all gifts to Central Missouri Humane Society. None of Central Missouri Humane Society, Central Missouri Humane Society or any representative acting on their behalf will act as an advisor to any donor in any of these respects, though Central Missouri Humane Society will work with a donor's advisors in furtherance of approved gifts.

Contributions received will be valued for gift purposes on the gift date in accordance with current Governmental Accounting Standards Board regulations.

Central Missouri Humane Society, Central Missouri Humane Society and donors are each respectively responsible for their own compliance with the provisions of law and IRS regulations.

In their dealings with donors and prospective donors, all Central Missouri Humane Society staff members will follow the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving and the Donor Bill of Rights developed by the Association of Fundraising Professionals, subject to the provisions of applicable law.

## **XI. Gift Documentation**

Written documentation is required for official counting, reporting, and recognition of gifts.

Letters of intent, instruments of transfer and pledge forms are used, when appropriate, to identify the gift amount, the asset being given, its intended use, the pledge payment schedule and the donor.

Proper legal documentation is required to recognize and report deferred gifts as "future commitments" to Central Missouri Humane Society.

## **XII. Gift Administration/Processing for Campaign Gifts**

1. The development office receives all campaign gifts, retains appropriate documentation, and records them for crediting and reporting purposes.
2. Formal acknowledgment should be made by the Chairperson(s) of the campaign and the Executive Director. Additional expressions of appreciation by appropriate volunteers and staff are encouraged.
3. Pledge reminders will be sent by the development office unless it has been asked by a donor to withhold them.

## **XIII. Donor Relations**

- When appropriate, donors will be advised about giving vehicles that may be beneficial to them.
- Donors will be advised to have all deferred gift agreements reviewed by their own legal and/or financial advisors.
- Donors will be advised that it is their responsibility to obtain a qualified appraisal to establish the fair market value of gift assets, and not the responsibility of Central Missouri Humane Society.
- No trustees' fees for deferred gifts should be charged to the donor.
- All personal gift arrangements are confidential and requests for anonymity are respected.
- Central Missouri Humane Society strives to make charitable giving rewarding and valuable to donors through recognition and stewardship of their gift.

**XIV. Adoption and Changes to Gift Acceptance Guidelines**

These Guidelines were reviewed and accepted by Central Missouri Humane Society's Development Committee on:

\_\_\_\_\_, 2018 and approved by Central Missouri Humane Society's Board of Directors on \_\_\_\_\_, 2018.

The Guidelines shall be reviewed regularly by Central Missouri Humane Society and may be amended only by Central Missouri Humane Society's Board of Directors.