

Sample County Gift Acceptance Policies

Accepting gifts is not new to county Extension programs and councils. Not all gifts are equal. Often, non-cash gifts have the potential to be substantial. Being prepared to receive gifts of stock, real estate, or tangible personal property can result in major, even transformational resources for a local Extension program. Thinking like a nonprofit charity can give insight and offer guidance on setting policies for receiving gifts. The following is an article from the Council of Non-Profits on Gift Acceptance Policies:

Gift Acceptance Policies

Should your nonprofit accept every gift that comes its way? It's hard to say 'no thank you!' to donors, but sometimes...that's the more prudent path.

There are some kinds of gifts (think horses, houses, and hospitals, as just 3 examples) that your nonprofit simply may not want to - or should not - accept. Some gifts may result in more hassle and expense than benefit to the organization. This is where a well-considered "gift acceptance policy" can be a help.

Manage expectations with gift acceptance policies

A written gift acceptance policy can help manage the expectations of donors, (while treating them with respect) and also serve as guidance for board and staff members who are either on the asking, or receiving, end of contributions. The most significant reasons to adopt a gift acceptance policy include:

- Accepting some types of gifts may run counter to the nonprofit's values - so a gift acceptance policy can be useful to underscore why the nonprofit cannot accept the gift.
- Some gifts may lead to legal obligations that the nonprofit is not otherwise ready to handle. Example: Gifts of real property may raise property tax issues; gifts of motor vehicles or boats may raise issues about disposal of hazardous waste or licensing issues.
- The nonprofit may simply not be equipped to either use, or dispose of certain types of gifts (such as donations of outdated computers) or easily maintain. (Imagine receiving a gift of a race horse!)
- Having a gift acceptance policy in place is considered a "best practice" from multiple perspectives - whether relating to relationships with donors, or managing the nonprofit's own risks.

Practice Pointers

- Why does your nonprofit need a policy? Some may question the need for such a policy, especially if your nonprofit normally only receives gifts by cash or check. However, you never know when an unusual gift will arrive. Having a written policy that is adopted by the board will help expedite a process that otherwise might be delayed, and provides volunteers and staff with a consistent way to handle unanticipated and

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unusual situations. A policy also de-personalizes the situation for staff members on the front-line of receiving a unusual gift who may be in the awkward position of explaining to a donor that the nonprofit will not automatically accept the donor's gift.

- "Non-Standard Contributions" are defined by the IRS as the "contribution of an item that is not reasonably expected to be used to satisfy or further the organization's exempt purpose and for which (a) there is no ready market to liquidate the donation to convert it to cash and (b) the value of the item is difficult to ascertain or speculative." However, the majority of gift-acceptance policies end up being used to manage the potential contribution of items that the nonprofit is simply not well-equipped to handle and/or would distract the nonprofit from its primary mission. A common use for a gift-acceptance policy is to explain to a donor that there are certain types of gifts, especially in-kind contributions (outdated computers, for instance) that certain nonprofits simply can't easily use or dispose of safely.
- Consider the audience: Will the policy help guide prospective donors who are considering a gift? Or is the policy intended primarily to provide guidance for staff and board members? Some nonprofits adopt a policy for external use with donors, but also draft guidelines to help staff and board members put the policy into practice.
- For maximum financial transparency, consider posting the policy on your nonprofit's website which helps manage donors' expectations before they approach your nonprofit with a non-standard gift.
- If the policy will not be linked from the website, how will it be distributed so that individuals who are considering a gift can be informed about the policy?
- Some policies specify that prior to accepting certain types of gifts, such as real estate, the nonprofit will conduct a review and/or consult with legal counsel.
- Conflicting interests: The nonprofit doesn't want to be in a position of serving as both the recipient of a donation, and the tax-advisor for the donor with respect to the transaction! The policy can encourage donors to seek professional advice prior to making a gift, and explain that the nonprofit will not provide advice directly to the donor because that would pose a conflict of interest.
- Consider the usefulness in certain situations of a "gift acceptance committee," or task force, composed of individuals with appropriate expertise and experience to evaluate gifts and decide whether or not to accept them.
- Nonprofits should always strive to treat donors with respect. Consider including a reference to the [Donors' Bill of Rights](#) [2] in your nonprofit's gift acceptance policy.
- If there are specific types of contributions that are or are not acceptable to the nonprofit, it is best to be transparent and name them in the policy.
- As with all policies – who is accountable? Will the policy be evaluated from time to time, and who will conduct the review? A "resource development" or "fundraising" committee of the board may be the best governance route for adopting, reviewing, and updating gift acceptance policies.
- Read our blog post with pointers on "[Saying 'thank you' to donors](#) [3]."

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SAMPLE:

(NAME) County Extension Gift Acceptance Policy

[name] County Extension solicits and accepts gifts that are consistent with its mission and that support its core programs, as well as special projects.

Donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities, without limitations.

In the course of its regular fundraising activities, [name] County Extension will accept donations of money, real property, personal property, stock and in-kind services.

Certain types of gifts must be reviewed prior to acceptance due to the special liabilities they may pose for [name] County Extension. Examples of gifts which will be subject to review include gifts of real property (real estate), gifts of personal property, and gifts of securities.

Gifts generally accepted without review:

Cash. Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, American Express), card number, expiration date, and name of the card holder as it appears on the credit card.

Marketable Securities. Marketable securities may be transferred electronically to an account maintained by the University of Missouri Treasurer's office. Gifts of securities for [name] County Extension should be directed through the MU Office of Gift Planning and Regional Advancement.

Bequests and beneficiary designations under revocable trusts, life insurance policies, commercial annuities and retirement plans. Donors are encouraged to make bequests to [name] County Extension under their wills, and to request proper language for directing their gift from the MU Extension & Engagement Office of Advancement, which will work with the University General Counsel's office to provide language for the donor's attorney.

Charitable Remainder Trusts. [Name] County Extension will accept designation as a remainder beneficiary of charitable remainder trusts.

Charitable Lead Trusts. [Name] County Extension 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:

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Tangible Personal Property. The [Name] County Extension will work with the MU Extension & Engagement Office of Advancement to 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. [Name] County Extension will receive gifts of life insurance through the University of Missouri subject to the review of the policy by the General Council’s office. [Name] County Extension will work through the MU Extension & Engagement Office of Advancement to determine approval contingent upon the donor naming the University of Missouri as the owner and beneficiary of the insurance policy for the benefit of [Name] County Extension. The University Office of Gift Planning and Regional Advancement will set up tax-deductible premium payments for the donor in situations where policy premium payments are still in effect.

Real Estate. [Name] County Extension will receive gifts of real estate through the University of Missouri subject to the review by the University’s General Counsel’s office and Office of Real Estate. [Name] County Extension will work through the MU Extension & Engagement Office of Advancement to determine approval of all gifts of real estate.

Resources

- Memo explaining why a [gift acceptance policy](#) [4] is recommended practice (Public Counsel)
- [Sample gift acceptance policies](#) [5] (Nonprofit Risk Management Center)
- [Comprehensive gift acceptance policies, guidelines and information](#) [6] (University of Richmond)
- [Sample gift acceptance policies and guidelines](#) [7] (Maine Island Trail Association)
- [Sample gift acceptance policy](#) [8] (College Art Association)
- [Sample gift acceptance policies](#) [9] (Association of Fundraising Professionals)
- [The gift acceptance policy: What is it, and why does your organization need it?](#) [10] (GuideStar)
- [Understanding and drafting gift acceptance policies](#) [11](Planned Giving Design Center)
- [Best practice in gift acceptance](#) [12] (Association of Advancement Services Professionals)

For more information about fundraising, we encourage you to review the Council of Nonprofits’ [fundraising resources](#) [13].

Category:
[Boards and Governance](#) [14]

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Source URL: <https://www.councilofnonprofits.org/tools-resources/gift-acceptance-policies>

Links

[1] <https://www.irs.gov/pub/irs-pdf/f990sm.pdf>

[2] <https://www.aps.org/about/support/upload/bill-rights.pdf>

[3] <https://www.councilofnonprofits.org/tools-resources/saying-thank-you-to-donors>

[4] <http://www.publiccounsel.org/tools/assets/files/GiftMemo.pdf>

[5] <https://www.councilofnonprofits.org/sites/default/files/documents/SAMPLE%20Gift%20Acceptance%20Policies.pdf>

[6] <https://giving.richmond.edu/ways/UR-Gift-Acceptance-Policy.pdf>

[7] <https://mita.org/gap/>

[8] <https://www.collegeart.org/pdf/giftacceptancepolicy.pdf>

[9] <https://afpglobal.org/ethicsmain>

[10] <http://help.guidestar.org>

[11] <https://www.pgdc.com/pgdc/understanding-and-drafting-nonprofit-gift-acceptance-policies>

[12] https://c.ymcdn.com/sites/www.advserv.org/resource/resmgr/draft_best_practices/Gift_Acceptance.pdf

[13] <https://www.councilofnonprofits.org/tools-resources-categories/fundraising>

[14] <https://www.councilofnonprofits.org/tools-resources-categories/boards-and-governance>

[15] <https://www.councilofnonprofits.org/tools-resources-categories/ethics-accountability>

[16] <https://www.councilofnonprofits.org/tools-resources-tags/fundraising>

[17] <https://www.councilofnonprofits.org/tools-resources-tags/restricted-gifts>

[18] <https://www.councilofnonprofits.org/tools-resources-tags/acknowledging-gifts>

[19] <https://www.councilofnonprofits.org/tools-resources-tags/sample-policies>

SOURCES:

The Nonprofit Risk Management Center. "These sample policies are shared for educational purposes only and should not be considered legal advice for any specific situation. The Nonprofit Risk Management Center encourages all nonprofits to have governance policies reviewed by legal counsel.

Gift Policies and Guidelines Manual, University of Missouri Division of Advancement, revised February 2020.

MU Extension Advancement and the Missouri 4-H Foundation can help.

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