

<b>SERV BEHAVIORAL HEALTH SYSTEM, INC.</b>	PROGRAM: FUNCTION:
POLICY TITLE:	EFFECTIVE DATE:
POLICY NUMBER:	REVIEW DATE:
REPLACES:	REVIEWED BY:
	AUTHORIZED BY:

SUBJECT: Gift Acceptance

POLICY: Gift Acceptance Policy

PURPOSE:

The SERV and CIFA Foundations, Board of Directors and staff will serve as facilitators for effective and ethical fund-raising practices that will result in financial support for the Mission of the SERV & CIFA Foundations. Accordingly, the Board of Directors of the SERV & CIFA Foundations accepts the Association of Fundraising Professional Code of Ethical Principles and Standards of Professional Practice.

PROCEDURES:

Toward that end:

- ◆ All contributions, grants and event proceeds will be entered into SERV & CIFA Foundations accounts and distributed by approved plan to appropriate accounts.
- ◆ Restricted grants and gifts will be received by SERV & CIFA Foundations and distributed to the designated program accounts. Accounting for these gifts will be clear and reports will be generated, as requested, in a timely manner.
- ◆ The distribution of undesignated funds will require Board approval.
- ◆ The SERV & CIFA Foundations' Board of Directors may at anytime elect to revise the distribution of funds.

### **Authority to Solicit Gifts**

All departments and all members of the SERV Behavioral Health System community are encouraged to identify and to assist in soliciting gifts from prospective donors. However, before making such a solicitation on behalf of any of the programs within SERV Behavioral Health System, the individual or the department must bring the proposed effort to the specific attention of the Director of Development so that appropriate coordination may be assured. Conversely, the Director of Development will inform departments when major solicitations are contemplated that will benefit them.

### **Acceptance of Gifts**

SERV & CIFA Foundation Representatives will include members of the staff, board and other volunteers working on behalf of the organization.

### **Asset Types**

**Cash** - Gifts of cash are discouraged except in designated circumstances (e.g. raffle ticket sales). Only authorized representatives of the SERV and CIFA Foundations may receive such gifts (e.g. raffle sales committee members). In the case of raffle ticket sales, the filled out ticket stub will serve as an indication

of the donor's intention and a receipt for the donation will be issued from the Foundation offices once the money and the ticket stub have been received and processed.

**Checks** – Must be made payable to “SERV Foundation” or “CIFA Foundation”. The specific fund for which the check is intended should be noted in the bottom left corner of the check, or in attached correspondence. In no event shall a check intended as a donation be made payable to an individual who represents SERV or CIFA.

**Pledges** –Pledges may be made to any fund at the SERV or CIFA Foundations. A schedule of pledges payable should be included in the fund agreement, letter or other written instruction from the donor.

**Marketable Securities** – Publicly traded stocks and bonds may be electronically transferred, re-registered in the name of SERV or CIFA Foundations, or conveyed through use of a stock power form. SERV & CIFA Foundations will also accept interests in mutual funds. Securities are sold upon receipt. Stock controlled under Securities and Exchange Commission Rule 144 will be held until the restriction on sale expires and then will be sold. Gifts of bonds that require a holding period may be accepted and cashed when the holding period has expired.

Securities that shall not be accepted include those which are assessable or which in any way may create a liability; those that, by their nature, may not be assigned (such as Series E savings bonds); those that have no apparent value.

**Interests in Business Entities** – SERV & CIFA Foundations will not accept, without board approval, a gift making it a principal in a joint venture or business activity in which it participates fully in the risks of operation and has more than limited liability for the conduct of the business (e.g. as a general partner, principal in a joint venture, or as an owner of working interest).

**Real Property** - Gifts of real estate and/or personal property shall be accepted only after the proposed gift has been reviewed by the CEO for statements as to the value of the gift (determined by a qualified appraiser provided by the donor) and any attendant encumbrances or burdens. Unless approved, in advance, by a majority vote of the Board of Directors, acceptance of real or personal property shall be limited to that which is debt-free and title clear. Acceptance of gifts of real estate shall be delayed until the property is certified to be free of hazardous waste and not unduly subject to regulatory restriction(s). A survey should be obtained if there is any question regarding boundaries, easements, or access to the property. SBHS will secure adequate insurance coverage for the property. A signed declaration of the fair market value of the donation must accompany gifts of real property

**Tangible Personal Property** – Gifts of tangible personal property should have a use related to the SERV & CIFA Foundations' exempt purpose. Gifts of such assets as boats, planes, automobiles, artwork, furniture, equipment, jewelry, gems and metals valued in excess of \$5000 must be accompanied by a qualified appraisal. Unless the property is to be used in connection with SERV & CIFA Foundations' tax-exempt purposes, it will be sold at the highest possible price as soon as possible for the benefit of the SERV & CIFA Foundations. A signed declaration of the fair market value of the donation must accompany gifts of tangible personal property.

**Insurance Policies and Proceeds** – Donors may transfer ownership of paid-up policy to either the SERV or CIFA Foundation and take a tax deduction for the interpolated terminal reserve (typically cash surrender value). Donors may transfer ownership of premium-due policies to either the SERV or CIFA Foundation and make income tax deductible contributions in the amount of the premiums. In either case the SERV or CIFA Foundation shall be the owner and permanent beneficiary of the policy and retain the policy in its offices. Upon redemption, the value of the policy may establish a new fund, or contribute to any existing fund at the SERV or CIFA Foundations.

Contributions for premium-due policies must be made by direct payment to the SERV or CIFA Foundation at least 10 days prior to the premium date. SERV & CIFA Foundations cannot assume delinquent premium payments. If a policy is canceled, the cash value will be added to the Unrestricted Funds in the donor's name for the charitable needs of the SERV or CIFA Foundation.

***Retirement Assets*** – Account type retirement plans, in which a balance accumulates as principal, may be gifted to either the SERV or CIFA Foundation. These include Individual Retirement Accounts (IRA), 401(k), 403(b), and defined contribution plans. (Annuity plans, such as defined benefit plans, in which retirement benefits are paid out as income and principal does not accumulate, generally cannot be used for charitable gifts). Methods for gifting retirement assets include:

- ◆ Naming the SERV Foundation or the CIFA Foundation as successor or contingent beneficiary for all or part of the assets upon death of either the retirement asset owner or spouse;
- ◆ Creating a testamentary charitable remainder trust upon the death of the asset owner, naming the SERV Foundation or the CIFA Foundation as remainder beneficiary and non-charitable heirs as income beneficiaries.

ATTACHMENTS: