GIFT ACCEPTANCE POLICIES AND GUIDELINES

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GIFT ACCEPTANCE POLICIES AND GUIDELINES

“Christian stewardship is the practical realization that everything we have is a gift from God.”

– United States Catholic Bishops Pastoral Letters

Blessed William Joseph Chaminade envisioned Marianist educational communities as enduring communities, not just functional and temporary. Additionally, the teachings of Jesus reveal that all blessings come from God, and we have a responsibility to be good stewards of these gifts. Therefore, as a Marianist community, our goal is to manage ourselves responsibly and in accordance with the highest ideals of stewardship, not just for the students of today, but for those of tomorrow as well. This Gift Acceptance Policy was created within the context of this goal.

Chaminade College Preparatory, a nonprofit 501(c)3 corporation organized under the laws of the State of California, encourages the solicitation and acceptance of gifts for Chaminade College Preparatory (hereinafter referred to as the school) for purposes that will help the school to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the school or for the benefit of any of its programs.

THE CHAMINADE LEGACY

Inspired by our founder, Blessed William Joseph Chaminade (Society of Mary – Marianists), Chaminade College Preparatory celebrates its Catholic Marianist tradition with students, parents, alumni, and Marianist Educators. As a mission-centered community, we pride ourselves in living out the charism and values of what makes our school distinctively Catholic. In partnership with our families, we use guiding principles from our vision and mission statements, Characteristics of Marianist Education, and core values to inspire our students to love, learn, and lead together.

OUR MISSION

We inspire young people to love, learn, and lead through our Catholic and Marianist traditions of a living faith, academic excellence, and moral responsibility.
I. **Purpose of Policies and Guidelines**

The Board of Directors of Chaminade College Preparatory and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of the school. These policies and guidelines govern the acceptance of gifts by the school and provide guidance to prospective donors and their advisors when making gifts to the school. The provisions of these policies shall apply to all gifts received by the school for any of its programs or services.

II. **General Principles**

- Chaminade College Preparatory reserves the right to refuse or refund any gift that in any way may detract from its mission, character, integrity, or independence.

- Chaminade College Preparatory will only use gifts for the particular purpose designated by the donor or as set forth in related solicitation materials.

- Chaminade College Preparatory shall employ responsible internal procedures to safeguard the donor’s privacy and other confidential information.

- Chaminade College Preparatory follows the letter and spirit of all laws and regulations affecting or relating to charitable giving and fund raising activities.

III. **Gift Definition**

A gift is defined as any transfer of personal or real property made on a voluntary basis and without consideration received in return. A gift is not a payment for goods or services received, nor payment made to directly benefit a pre-selected individual, such as a scholarship for a specific student selected by the payer.

In the case of payments which are part gift and part payment for goods or services, it is the school’s policy to include such differentiation in printed materials for events and gift receipts.

IV. **Use of Legal Counsel**

Chaminade College Preparatory shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements

- Documents naming Chaminade College Preparatory as Trustee

- Gifts involving contracts, such as bargain sales or other documents requiring Chaminade College Preparatory to assume an obligation

- Transactions with potential conflict of interest that may invoke IRS sanctions
• Other instances in which use of counsel is deemed appropriate by the Vice President of Advancement, President or the Gift Acceptance Committee

V. Conflict of Interest
Chaminade College Preparatory will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting legal, tax and estate planning consequences.

In accordance with professional fundraising standards, the school will not pay finder’s fees, commissions or other fees to an independent gift planner as a condition for the delivery of a gift.

VI. Restrictions on Gifts
The school will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. Restrictions on gifts are to be clearly detailed in writing by the donor. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Vice President of Advancement and President. Gift Acceptance Committee approval is required of gifts exceeding $25,000 and those which would have a significant impact on operations of the school. Restricted gifts exceeding $250,000 requires approval by the Advancement Committee chair.

VII. The Gift Acceptance Committee
This policy establishes a gift acceptance committee to be chaired by the Advancement Committee chair and consist of:

- Vice President of Advancement of the school or a designated appointee
- Vice President of Finance and Operations of the school or a designated appointee
- Such other individuals as may be appointed by the President of the school

The gift acceptance committee is charged with the implementation of this policy, including responsibility for reviewing all significant and unusual gifts made to Chaminade College Preparatory, properly screening and accepting those gifts, and making recommendations to the President or Board of Directors on gift acceptance issues when appropriate.
VIII. Types of Gifts

A. The following gifts are acceptable:
   1. Cash
   2. Tangible Personal Property
   3. Securities
   4. Real Estate
   5. Remainder Interests in Property
   6. Oil, Gas, and Mineral Interests
   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. Life Insurance Beneficiary Designations

B. The school may have to decline gifts under certain conditions, including, but not limited to the following:
   - The gift violates the terms of this policy.
   - The gift is given for purposes that do not further the school’s mission.
   - The gift could damage the school’s reputation.
   - The gift is too difficult or expensive to administer.
   - The gift could create unacceptable liability or cause the school to incur future unanticipated expenses.
   - The gift would jeopardize the school’s tax-exempt status.

C. The following criteria govern the acceptance of each gift form:
   1. **Cash**: Cash is acceptable in any currency. Checks shall be made payable to Chaminade College Preparatory and shall be delivered to the school’s administrative offices or lock box address.

   2. **Tangible personal property**
      
      **Tangible personal property to be sold**  The minimum value for a gift of tangible personal property to be sold is $10,000, net of expenses and commissions. Gifts of tangible personal property include: automobiles, boats, art, jewelry, furniture, etc. When appropriate, an approved third party vendor may assist with transaction details.
**Tangible personal property to be kept at and used by Chaminade** Gifts of tangible personal property the school plans to keep and use must further its mission. Examples include, artwork, computer hardware, athletic equipment, etc. Such gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the mission of the school?
- Are there any carrying costs for the property?
- What are the costs relating to long-term storage?
- What are the donor-imposed restrictions on the use, display, or sale of the property?
- What are the costs related to transportation and installation?

When deemed appropriate due to the nature of a potential donation of tangible personal property, the President or Vice President of Advancement will refer a donation to the Gift Acceptance Committee of Chaminade College Preparatory for final determination as to acceptance.

3. **Securities:** The school can accept publicly traded securities and closely held securities.

**Publicly traded securities:** Marketable securities (including mutual funds) may be transferred to an account maintained by the school with a brokerage firm or delivered physically with the transferor’s signature or duly executed stock power attached. In some cases, marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Gift Acceptance Committee of Chaminade College Preparatory. Marketable securities are assigned a value which is the mean of the high and low prices of the day on which title passes to the school.

**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 Gift Acceptance Committee of the school. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent Chaminade College Preparatory from readily converting those assets to cash,
- there is an accessible market for liquidating the security
- the security will not generate any undesirable tax consequences for the school, and
- the school does not assume any inappropriate liabilities or loss exposures upon the transfer.

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 shall be made by the Gift Acceptance Committee of Chaminade College Preparatory with input from legal counsel when deemed necessary. Every effort will be made to sell securities as quickly as possible.

4. **Real estate**: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the school shall require an initial environmental review of the property for potential environmental damage. In the event that the initial inspection reveals a potential problem, the school shall retain a qualified inspection firm to conduct an environmental audit to proceed further. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the school prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Gift Acceptance Committee of the school with input from the school’s legal counsel as appropriate. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the school?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there any imminent community developments expected that could significantly alter the value or marketability of the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?
5. **Remainder interests in property**: The school will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4. 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 or primary beneficiary, the school may use the property or reduce it to cash. Where the school receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

6. **Oil, gas, and mineral interests**: The school may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the school’s legal counsel. Criteria for acceptance of the property shall include:

   - Gifts of surface rights should have a value of $20,000 or greater.
   - Gifts of oil, gas and mineral interests may be accepted in the form of an Overriding Royalty Interest (ORRI) and should generate at least $3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
   - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
   - A working interest is never accepted.
   - The property should undergo an environmental review to ensure that the school has no current or potential exposure to environmental liability.

7. **Bargain sales**: Chaminade College Preparatory will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the school. All bargain sales must be reviewed and recommended by the Gift Acceptance Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:

   - The school must obtain an independent appraisal substantiating the value of the property.
   - If the school assumes debt with the property, the debt ratio shall normally be less than 50% of the appraised market value.
   - The school must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.
   - The school must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
8. **Life insurance**: Chaminade College Preparatory must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the school will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the school may:

- continue to pay the premiums,
- convert the policy to paid up insurance, or
- surrender the policy for its current cash value.

9. **Charitable gift annuities**: Chaminade College Preparatory may offer charitable gift annuities. The minimum gift for funding is normally $5,000. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity. Generally, annuity payments may be made on a quarterly, semi-annual, or annual schedule.

Chaminade College Preparatory will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. Chaminade College Preparatory may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Gift Acceptance Committee approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the school’s unrestricted funds, or to such specific fund as designated by the donor.

10. **Charitable remainder trusts**: The school may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance
Committee of the school. The school will not accept appointment as Trustee of a charitable remainder trust.

11. **Charitable lead trusts:** The school may accept a designation as income beneficiary of a charitable lead trust. The school will not accept an appointment as Trustee of a charitable lead trust.

12. **Retirement plan beneficiary designations:** Donors and supporters of the school will be encouraged to name the school as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the school until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

13. **Bequests:** Donors and supporters of Chaminade College Preparatory will be encouraged to make bequests to the school under their wills and trusts. Such bequests will not be recorded as gifts to the school until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

14. **Life insurance beneficiary designations:** Donors and supporters of the school will be encouraged to name the school as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the school until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**IX. Miscellaneous Provisions**

A. **Securing appraisals and legal fees for gifts to the school:** Ordinarily, it will be the responsibility of the donor to secure an appraisal (where required) by an IRS qualified appraiser jointly approved by the school and independent legal counsel for all gifts made to the school.

B. **Valuation of gifts for development purposes:** The school will record a gift received by the school at its valuation as of the date of gift.

C. **Responsibility for IRS Filings upon sale of gift items:** The Vice President of Finance and Operations of the school is responsible for the timely filing IRS Form 8282 upon the sale or
disposition of any asset within three years of receipt by the school, when the charitable deduction value of the item is more than $5,000 and the item is not used or distributed for charitable purposes.

D. **Acknowledgement of gift.** Acknowledgements of gifts made to the school and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Advancement Office. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* are resources outlining requirements.

E. **Corporate matching gifts:** All corporate matching gifts received by the school as a result of an employee’s gift will be directed to the same fund as the employee’s gift unless specified otherwise by the employee donor or contributing corporation.

F. **Recognition of pledges:** The school will recognize an oral pledge if it is to be paid within the current fiscal year. To be recognized in the school’s donor records, long term pledges must be in writing, with the amount, payment terms, and any conditions clearly articulated. Accounting recognition will be in accordance with generally accepted accounting principles.

G. **Endowment establishment.** Due to special management requirements, the minimum gift acceptable to establish a new endowment fund is $50,000.

H. **Prospect clearance:** Those individuals who wish to solicit funds or property for the benefit of the school must communicate with the Advancement Office their intention to make an approach to a specific prospect such as individuals, foundations or corporations. This requirement is intended to protect existing relationships between donors and school representatives and to avoid over-solicitation of any individual, foundation or corporation.

I. **Naming opportunities.** The Chaminade College Preparatory Board of Directors has established the following guidelines for naming of buildings in recognition of the generosity of individual donors, foundations, and corporations/businesses as well as those individuals who have made significant contributions of merit to the school.

- Naming opportunities for buildings are generally reserved for donors who make a minimum contribution of $1,000,000.
- Naming opportunities for facility components (new and existing) are generally reserved for donors who make a minimum contribution of $25,000.
- Capital campaigns may publish naming opportunities appropriate to the campaign.
All naming considerations for capital contributions will be reviewed by the Advancement Committee and submitted to the Board of Directors for final approval. All naming considerations to honor individuals for contributions of merit must be submitted to the President, to be forwarded to the Board of Directors for review and final approval.

X. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Board of Directors of Chaminade College Preparatory. The Board of Directors of Chaminade College Preparatory must approve any changes to or deviations from these policies.

Approved on the ____15____ day of ____May____, 2019.

Chairperson, Board of Directors, Chaminade College Preparatory

President, Chaminade College Preparatory