



# **Gift Acceptance Policy and Procedures**

TAC Gift Acceptance Policy

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## TAC Gift Acceptance Policy

### **I. Introduction**

#### **A. Policy Statement**

The mission of The American College of Financial Services is to raise the level of professionalism in financial services by promoting ongoing education, ethical practices, and the pursuit of new knowledge for the benefit of society. The American College, as a not-for-profit 501(c)(3) charitable organization, strongly encourages solicitation and acceptance of gifts that enable it to fulfill its mission. It is intended that these policies, approved in final form by the Board of Trustees through its Advancement Committee, shall apply to The American College of Financial Services, hereafter referred to as The College.

Gifts may be sought from individuals, corporations, and foundations. Gifts may be sought only to support purposes, positions, programs, and services that have appropriate institutional approval. We desire to promote unrestricted gifts but recognize that certain donors will wish to direct their gift to a particular department or program. All gift receipts shall be issued by The College and processed through The College Office of Advancement. All gifts will be acknowledged within 24 to 48 hours, which is in keeping with industry standards.

This policy does not apply to government grants or contracts for services.

The College values and will protect its integrity, its independence, and its academic freedom. The Gift Acceptance Committee (GAC) (described in part I. B.) is responsible for reviewing proposed gifts in order to ensure the protection of these values.

The GAC and the Advancement Committee will review the Gift Policy and Procedure guidelines every other year beginning in 2025. If changes to the guidelines are required, the Advancement Committee will present the updated guidelines to the Board of Trustees of The College for approval.

A restricted gift is one in which the donor has placed conditions, thereby creating a legal obligation to expend the funds in a manner consistent with the donor's restrictions. For example, a restricted gift may support a particular purpose or program designated by the donor or identified by The College. The College is unable to accept gifts that are too restrictive in purpose or inconsistent with its stated purposes and priorities.

The College will not accept gifts that involve unlawful discrimination based upon race, religion, sex, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws and regulations. Nor can The College accept gifts that obligate it to violate The College's articles of incorporation or bylaws.

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This policy is designed to provide guidance to The College community and the public to encourage and facilitate the gift-giving process. Therefore, this policy is to be interpreted liberally so that prospective donors may enjoy the greatest freedom possible in formulating their gifts. The Gift Acceptance Committee must give prior approval to certain gifts as stated below within this Policy.

1. The College reserves the right to refuse gifts on the basis that the gift will cause liability for The College, unrelated business taxable income, or any other reason that would be inconsistent with the mission of The College or because the gift is not deemed to be in the best interest of The College or donor.
2. Gifts for capital expenditures must be consistent with The College's capital needs; restrictions on the use of gifts must be appropriate and acceptable to The College.

### **B. Gift Acceptance Committee (GAC)**

The GAC includes the Senior Vice President for Advancement and Alumni Relations, the Chief Financial and Risk Officer, Senior Vice President Chief Marketing and Strategy Officer, and final approval by The College's CEO. The GAC will determine acceptance and administration of all gifts including but not limited to:

- gifts of illiquid assets;
- any gift of real estate;
- restricted gifts;
- any gift having an income beneficiary and a remainder beneficiary;
- any gift that may expose The College to adverse publicity or involve The College in unexpected responsibilities because of their source, conditions, or purposes; and
- any gift that may require expenditures beyond a department's operational plan (budget) or The College's operating or capital budget.

Items for review and approval shall include all financial and legal considerations that may affect the gift. These considerations include factors identified below in sections III and IV. The GAC may withhold approval of acceptance pending consultation with other appropriate individuals who may have particular expertise with a specific gift.

## **II. Methods of Giving**

By providing a wide variety of giving methods, The College allows donors to choose the means most appropriate for their circumstances and interests. Generally, these methods may be categorized as either outright or deferred. Specific methods of deferred giving are described in Section IV below.

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### **A. Outright Gifts**

Outright gifts are those placed at the immediate disposal of The College and in which the donor retains no interest. They may be either restricted or unrestricted in purpose. Gifts that are donated to The College without any express limitation will be accounted for as unrestricted revenue.

- A. Unrestricted: The College encourages donations to be made without restrictions.
  - 1. Grants or gifts that have not been designated by the grantor or donor for a specific purpose shall be recorded as unrestricted donations.
  - 2. The College will maintain an unrestricted fund to receive and account for such unrestricted gifts.
  - 3. Unrestricted funds may be expended for any purposes related to the mission of The College in accordance with its respective bylaws and policies.
  
- B. Restricted: The College also accepts gifts restricted to established funds or high-priority program areas, as designated by The College's Leadership.
  - 1. Gifts to The College cannot be restricted for the benefit of a specific individual (e.g., for an employee).
  - 2. Restricted funds requiring expenditure by anyone other than the President will require approval by the President.

### **B. Deferred Gifts**

Deferred gifts are not immediately available for use by The College.

## **III. Types of Outright Gifts**

Types of assets that often comprise either outright or deferred gifts to The College include the following:

### **A. Cash**

A common method used to make a gift to The College is a personal check.

The postmark date is the gift date for gifts of cash mailed to The College. Gifts of cash or checks will be immediately delivered to the Finance Department with a notation stating the purpose of the gifts. If there are any clear restrictions on a gift, a memorandum of understanding will accompany the gift.

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A gift of cash may also be made by credit card. Any credit card information received by The College is held in strict confidence. The College shall not use or disclose this information except as permitted or required by law, or as otherwise authorized in writing by the donor. The College does retain credit card information in any of its systems, a third party, PCI-compliant, vendor processes credit card payments.

### **B. Securities**

Publicly traded securities (including stocks, bonds, and other equity or debt instruments) and shares of stock in closely held companies may be given to The College. Donors considering gifts of securities should contact the Office of Advancement for the appropriate delivery procedure.

#### 1. Publicly Traded Securities

These are securities traded on a public financial market. Gifts of publicly traded securities will be liquidated as soon as practicable following receipt by The College. The fair market value of the gift will be determined by the mean of the highest and lowest selling prices quoted for the stock on the day of the gift as follows:

- for securities hand-delivered to The College, date of delivery;
- for securities mailed to The College, date of postmark;
- for securities transferred electronically to The College by bank or broker, date of transfer into The College account.

Securities received by The College will be delivered immediately to the Finance Department for liquidation. The Finance Department will be responsible for all securities until sold; if in possession of The College, **they will be kept in a safe or another secure place.**

Securities should be sold as soon as possible following receipt.

Obtaining stock or bond powers quickly and efficiently is obligatory.

Corporate resolutions executed by the Secretary of The College should be on hand indicating the staff members who have the authority to authorize the sale of donated share of stock.

#### 2. "Lettered" or Restricted Securities

Stock controlled under SEC Rule 144 or Restricted by Agreement, may be accepted by The College, subject to review by counsel. The College will hold these securities until the restriction expires and then sell them. The College will ordinarily not accept securities which could be the subject of assessments. The valuation of Lettered or Restricted Stock will be at the

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discretion of the GAC.

### 3. Closely Held Securities

These are shares of stock or other financial instruments of entities that have been organized for profit-making purposes and are not traded on public financial markets. Because closely held stock is not publicly traded, these securities are not readily marketable. IRS rules prohibit The College from entering any repurchase agreement, either formal or informal, with the donor at the time of the gift.

Closely held securities that are received will be placed in a safe repository and on a periodic basis (at least annually), and the value and marketability of these securities will be ascertained to determine whether or not the securities can be sold. The gift value of closely held securities is determined by a qualified appraisal provided by the donor. Gifts of closely held securities may only be accepted upon prior approval of the GAC. Factors to be considered include valuation, marketability, associated liabilities or restrictions, and potential costs.

### **C. Non-traditional Investments**

Upon review by the GAC, The College may accept gifts of non-traditional investments, such as partnership interests, patent rights, royalties, etc., after a thorough review of all relevant financial and legal factors, including:

1. marketability;
2. valuation;
3. nature of any applicable restrictions;
4. legal and other liabilities associated with the asset;
5. carrying costs such as administrative and legal fees; and
6. exposure to unrelated business income tax liability.

### **D. Real Estate**

Upon review of the GAC, The College may accept gifts of real estate valued at not less than \$100,000, including houses, condominiums, commercial properties, farmland, rental property, and undeveloped land, after thorough consideration of the following factors (insofar as they may be relevant to the proposed gift):

1. usefulness of the property for The College purposes;
2. marketability of the property;
3. existence of restrictions, reservations, easements, and/or other limitations;
4. existence of encumbrances, such as mortgages and mechanics liens;

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5. carrying costs, such as property owner's association dues, taxes, insurance, and other maintenance expenses;
6. potential costs of subsequent liquidation of the property; and
7. fair market value in relation to the costs and limits listed above as determined by a qualified appraisal conducted in accordance with Internal Revenue Service ("IRS") standards.

The College will accept no gift of real estate that imposes restrictions as to timing of sale or parties to whom the real estate may be sold. Both a satisfactory title search and environmental audit conducted by a professional service are required prior to acceptance of a gift of real estate.

The cost of preparing the deed conveying the real estate will be the responsibility of the donor. Real property taxes will be prorated between the donor and The College/trustee of the trust at the time of settlement. Real estate transfer taxes will be divided equally between the donor and The College/trustee of the trust at the time of settlement. Recording fees will be the responsibility of The College/trustee.

Donors are responsible for obtaining a qualified appraisal of the real estate to establish its value for purposes of determining their charitable deduction. When a gift value is used to determine payments to an income beneficiary or to establish the value of a pledge payment, The College may require an additional qualified appraisal to substantiate the fair market value of the gift. In this case, the fair market value will equal the average of the two appraisals. If the appraised values are not within a 10% range, a third appraisal may be required to determine a gift value, with the expense equally divided between the parties.

Holding costs and costs of liquidation of real property (such as real estate taxes, utilities, property insurance, routine maintenance costs, transfer taxes, appraisals, recording fees, legal fees, etc.) that have been paid by The College/trustee of the trust shall be charged against the fund or trust to which the gift is designated. In a unitrust, these expenses will be accounted for in the annual revaluation required by the trust agreement. All trust documents will clearly state these provisions as applicable.

A gift of real estate may take the form of a bargain sale.

Prior to review of a proposed gift of real estate, The College will require that the donor complete the Real Estate Acquisition Questionnaire below (see Exhibit A attached). Furthermore, the Office of Advancement Gift Officer will complete the Real Estate Site Review Checklist below (see Exhibit B attached).

Acceptance of all gifts of real estate requires the prior approval of the GAC and the Executive Committee of the Board of Trustees/Directors.

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### **Tangible Personal Property**

The College may accept gifts of tangible personal property, including but not limited to works of art, jewelry, photographs, memorabilia, antiques, museum specimens or artifacts, coins, stamps and other collections, automobiles, scholarly papers, manuscripts, and books. Such gifts may be accepted only after a thorough review indicates the property is readily marketable or may be used by The College in a manner consistent with one of its nonprofit purposes. The College desires to promote gifts of tangible personal property valued at \$10,000 or more.

Donors should be advised that (1) The College reserves the right to sell, exchange, or otherwise dispose of the personal property in question, if such action is financially advisable or necessary; and (2) should The College, within three years after the date of the gift, dispose of donated property which was valued at \$5,000 or more, it is required to file an IRS Form 8282 (see Exhibit C attached), disclosing details of that disposition and provide a copy to the donor.

Whenever donors estimate the value of their gifts of tangible personal property at \$5,000 or more, they must obtain at their own expense a written appraisal by a qualified independent appraiser if they wish to claim a charitable deduction. Donors shall also be responsible for filing IRS Form 8283 (see Exhibit D attached) and providing The College with any appraisal summary document required by IRS regulations. The College cannot provide a qualified independent appraisal and will not assign valuation to gifts of tangible property. Upon becoming aware of a potential gift, individuals should immediately notify the Office of Advancement and receive prior approval before accepting the gift. No proposed gift of tangible personal property will be accepted until it has been:

1. reviewed and approved by the GAC; and
2. evidenced by a Declaration of Gift (see Exhibit E attached) executed by the donor(s), the Chief Financial and Risk Officer, and the Senior Vice President of Advancement and Alumni Relations.

Because of IRS reporting requirements, the Chief Financial and Risk Officer must report any proposed sale of tangible personal property within three years of the gift date (including the proposed selling price) to the GAC. The College will accept no gift of tangible personal property that imposes restrictions as to timing of sale or parties to whom the property may be sold.

Issuance of gift receipts and formal communications with donors shall be the responsibility of the Office of Advancement. No gift receipt will be issued until a fully executed Declaration of Gift is provided to the Office of Advancement. Form 8282 filings shall be the responsibility of the Finance Department. Securing insurance coverage for donated items shall be the

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responsibility of the Chief Financial and Risk Officer.

### **E. Gifts of Undivided Interest**

Gifts of an undivided interest in real or personal property may be accepted, on advice of counsel—for instance, if an individual wishes to give The College 75% ownership interest in real estate whereby the donor and The College will own the property as tenants in common. There are many issues involving the maintenance of the property, liability pertaining to the property, and consent to sell the property which must be addressed by agreement subject to review by counsel.

### **F. Cryptocurrency**

The IRS classifies cryptocurrencies as property, so cryptocurrency donations to 501(c)(3) charities receive the same tax treatment as stocks. The College may accept gifts of virtual currencies, including cryptocurrencies, subject to the ability to accept and liquidate the gift immediately upon receipt. This may include but is not limited to: Bitcoin (BTC), Bitcoin Cash (BCH), Ethereum (ETH), ZCash (ZEC), Litecoin (LTC), Basic Attention Token (BAT), Chainlink (LINK), and the Gemini Dollar (GUSD), among others.

- a. All contributions of cryptocurrency must be converted to USD immediately upon acceptance and cannot be refunded for any reason.
- b. The College also requires that all donors identify themselves to the organization when making a charitable contribution (though anonymity may be maintained beyond the Advancement Office).
- c. All gifts of cryptocurrency must be reviewed by the GAC prior to acceptance. The donor may be asked to provide additional information following review of the gift.
- d. The value will be set based on the cash The College receives once the gift is converted to USD (not valued based on the crypto amount).

## **IV. Methods of Deferred Giving**

### **A. Pledges**

A pledge is a promise by a donor to make a future gift to The College. Donors will be encouraged to sign an Irrevocable Pledge Agreement (see Exhibit F attached). This agreement represents a present, binding obligation upon the estate of the donor to complete any outstanding pledge payment. If a donor does not sign an Irrevocable Pledge Agreement, the pledge may or may not be considered legally binding; determinations will vary depending on the written instrument and state law.

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Pledges may be payable in single, monthly, quarterly, semi-annual, or annual installments. Pledges from individuals may be no longer than five years and from corporations no longer than 10 years unless otherwise authorized by the GAC.

In order for a pledge to be recorded, written pledges must include the amount of the pledge, a defined payment schedule, a designation, and the signature of the donor. Once the written pledge agreement is signed, the pledge agreement will be sent to the Gift and Pledge Processing Coordinator for recording and a letter/invoice will be generated within 24 to 48 hours.

### **B. Assets Passing Under a Will**

A bequest is a gift of personal property or cash of any amount or form made to The College in a donor's will. For example, bequests may provide for a specific dollar amount in cash, specific securities, or specific articles of tangible or intangible personal property or a percentage of the residue of the estate. A devise is a gift of real property made to The College in a donor's will.

Bequests or devises may be unrestricted or restricted. All restricted bequests or devises and all gifts of non-liquid assets are subject to the same review and approval process as any other restricted gift.

The College shall not prepare wills for donors. However, proper wording for a bequest or devise benefiting The College may be provided. Donors may also use a will to establish various types of trusts. For example, a trust may provide income for a designated beneficiary and a gift of principal to The College at the termination of the trust.

### **C. Charitable Trusts**

#### **1. Types of Charitable Trusts**

##### **a) Charitable Remainder Unitrust**

The primary feature of a charitable remainder unitrust is that it provides for periodic payment of income to the donor, for life or a specified term of years, after which the trust assets pass to The College. During the lifetime of the donor, he or she creates a formal trust agreement under which assets such as cash, appreciated securities, or both are irrevocably transferred to a trustee (e.g., a bank or The College) who then pays the beneficiary or beneficiaries according to the terms of the trust.

During the donor's lifetime, the trust assets are managed and invested by the trustee as a single fund. The donor cannot borrow or otherwise deal with the trust assets. The

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designated beneficiary receives payments based on a fixed percentage of the net fair market value of the trust as valued annually by the trustee. The donor determines the fixed percentage, which may not be less than five percent. Upon creation of the unitrust, a donor may make subsequent additions to the unitrust during his/her lifetime or by bequest upon his/her death.

### b) Charitable Remainder Annuity Trust

The annuity trust shares many common features with the unitrust, the principal difference being the manner used to calculate the payment to the income beneficiary. Whereas the unitrust provides for a payout that varies with each annual valuation, the annuity trust provides for fixed payments based upon the fair market value on the date the trust is established. Another difference is that additional contributions cannot be made to an annuity trust.

### c) Charitable Lead Trust

The primary feature of a charitable lead trust is that it provides for the immediate support of The College through income generated by the assets in trust for a set period of time, after which the assets pass to a non-charitable beneficiary such as the donor, the donor's children, or other persons the donor specifies. Thus, a charitable lead trust is conceptually the opposite of a charitable remainder trust. In a lead trust, the donor gives The College the current economic benefit of the transferred assets and retains the right to reacquire possession and control of the assets at a future date.

The donor during his or her lifetime creates an irrevocable trust agreement for years. The agreement may take effect during the donor's lifetime or be part of the donor's will. Assets are transferred to a trustee, with the stipulation that the income from the assets be paid to The College for the life of the trust, after which the principal or corpus of the trust reverts back to the donor or others of his or her choosing.

## 2. Conditions Under Which The College May Serve as Co-trustee of Charitable Trusts

The GAC will consider the potential for the perception of a conflict of interest and the institution's focus on the educational process in determining whether The College will serve as co-trustee of an irrevocable trust. Should the team deem it advisable for The College to serve as co-trustee, the following minimal conditions must be met:

- a) Charitable remainder unitrust and annuity trust agreements shall last for (i) no more than two lives; or (ii) a term of years not to exceed 20.
- b) The minimum amount of original funding for any charitable trust shall be at least \$100,000.

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- c) The minimum age of any beneficiary of a lifetime trust shall be at least 60 years of age, measured to the nearest birthday.
- d) More than 50% of the remainder of the trust shall be irrevocably designated for The College.
- e) The beneficiary payout rate should not exceed the expected long-term investment return per The College's investment policies.
- f) A charitable lead trust must have a term of at least five years and The College must be more than 50% income beneficiary.
- g) If assets other than cash or marketable securities are used to fund a charitable remainder unitrust, the trust must be in the form of either a FLIP trust (as defined by internal revenue code regulations) or a net-income unitrust.
- h) Donors must provide the cost basis and date of acquisition for all non-cash property contributed to fund a charitable trust.
- i) All prospective donors will be provided with a Charitable Remainder Trust Information Disclosure statement (see Exhibit G attached) prior to signing a trust agreement.

When The College is serving as co-trustee, charitable trust assets shall be invested according to the decision of The College's Investment Committee. The College reserves the right to receive reasonable compensation for its services as co-trustee and will charge the trust for any direct expenses incurred on behalf of the trust.

### **D. Charitable Gift Annuity**

A donor may purchase an immediate, deferred payment gift annuity, or flexible payment gift annuity at rates consistent with or lower than those recommended by the American Council on Gift Annuities. Annuity rates are designed to provide a residuum of at least 50% of the original gift to The College at the death of the beneficiary.

Donors must provide cost basis and date of acquisition information for all non-cash property contributed in exchange for a charitable gift annuity contract.

The minimum gift level for a gift annuity is \$10,000. Payment options are monthly, quarterly, semi-annually, and annually.

A gift annuity agreement can be issued for one individual but not more than two lives. Gift annuitants must be a minimum of 65 years of age.

Only gifts of cash or publicly traded securities will be accepted in exchange for a gift annuity.

Any rate, age, or payment frequency exceptions must be approved by the GAC.

Assets funding charitable gift annuities are invested according to The College's investment

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policies and in a manner that ensures annuity payments are made on time and in full until the annuity contract matures.

The College does not reinsure the annuity contract through the purchase of a commercial annuity. The annuity rate and terms of the contract are specified in the Charitable Gift Annuity Agreement (see Exhibits H and I attached).

All prospective donors will be provided with a Charitable Gift Annuity Information Disclosure statement (see Exhibit J attached) prior to signing a gift annuity agreement. The disclosure statement describes the characteristics of a gift annuity and how The College administers its gift annuity program.

### **E. Gift of a Remainder Interest in Real Estate – Life Estate**

A donor can convey real estate to The College while retaining a life estate in the property upon approval by GAC. The donor may continue to use and occupy the property for the duration of the donor's life. Thereafter, the property will either be sold or used by The College for its purposes. The procedures for evaluating proposed gifts of real estate, as described above in Section III. D., also applies to gifts of a remainder interest in real estate. Gifts of real estate with a retained life estate should have a gift value of at least \$100,000. The minimum age for a single life tenant is 77. The minimum age for each joint life tenants is 82.

If a life estate is retained in the property, expenses for maintenance, real estate taxes, association fees or assessments, insurance, utilities, repairs, capital improvements, and any indebtedness relating to the property are to be borne by the donor (or other life tenant). Donors must sign a Memorandum of Understanding Remainder Interest in Real Estate (see Exhibit K attached) at the time of the gift that describes these responsibilities in detail.

Prior to review of a proposed gift of a remainder interest in real estate, The College will require that the donor complete the Real Estate Acquisition Questionnaire attached below. Furthermore, the Senior Vice President of Advancement and Alumni Relations will complete the Real Estate Site Review Checklist attached below.

### **F. Gifts of Life Insurance**

Due to The American College's unique relationship with the insurance industry, gifts of life insurance contracts to The College are encouraged. Donors may irrevocably assign to The College a new or existing whole or universal life insurance policy on a donor's life. The College is then both the policy owner and the sole and/or split beneficiary. By making The College owner and beneficiary, the donor is entitled to a current charitable income tax deduction—generally, the cash surrender value or cost basis, whichever is less.

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If The College receives a new policy, or one in which premiums are still due, premiums then paid by the donor to The College are fully tax deductible as charitable contributions.

It is more beneficial for The College and for the donor if the donor makes gifts directly to The College sufficient to make premium payments on life insurance policies and The College pays the insurance company.

1. A long-term relationship is established.
2. There is no question about donor's deduction.
3. The insurance company will not object to a matching gift.
4. The College is in control of the situation.
5. The Finance Department will establish guidelines for handling these policies.
  - i. All policies will be held by the Office of Advancement in a locked filing area.
  - ii. All information pertaining to the gift shall be retained and available for review, i.e., donor name, insured, date of birth, date of gift, face value, type of policy, cash surrender value, timing and amount of premium, name and address of insurance company, and account number of the policy.
  - iii. The College will value the policy at its net cash surrender value (face value may be footnoted) on accounting reports.
  - iv. The Office of Advancement will inform donors about the amount necessary to pay any premium, before the premium is due and solicit such gifts to pay premiums.
  - v. Initial gifts and premium payments will be acknowledged.
  - vi. The Office of Advancement will instruct insurance companies to send premium notices to The College.
  - vii. Communications relating to delinquent premiums will originate from the Office of Advancement.

If the donor does not choose to continue paying the premiums, the GAC may elect to:

- continue paying the premiums and receive the full-face value of the policy (or partial face value for split beneficiaries) at the donor's death;
- convert the policy to paid-up insurance in a reduced amount with no further payments; or
- surrender the policy for its present cash value.

The American College also encourages the gift of employer-supplied group term life insurance. Many employees receive group term life insurance as a benefit from their employers. The College can be named as beneficiary. The cost of premiums paid on the portion of this insurance over \$50,000 are taxed to the employee as ordinary income. The effect of naming The College as beneficiary is to relieve the donor from paying the income tax on the excess over \$50,000.

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### **G. Gifts of Life Insurance Renewal Commissions**

The College will accept a gift of renewal commissions. Because of The American College's unique relationship with the insurance industry, gifts of renewal commissions are encouraged.

At a life insurance agent's death, the vested renewal commissions are subject to multiple tax liabilities, present liquidity, and valuation problems, and are difficult and expensive for the descendant's personal representative to administer. By bequeathing renewal commissions to The American College, the problems are greatly mitigated because the administrative burden will pass to The College and the tax and valuation issues will disappear.

The assets are subject to income and estate tax. In addition, because valuation is an estimate only, and the commissions may later reduce in size, it is possible that estate tax may be paid on a much higher valuation than what is actually received. Therefore, it is advantageous to donate the renewal commissions to The College and eliminate income and estate taxes associated with them.

### **H. Beneficiary Designation of Qualified Plan or IRA**

The College welcomes the prospect of being named beneficiary of a retirement asset. A qualified plan or individual retirement account will be included in the gross estate upon a participant's death. Likewise, a beneficiary may be required to recognize income tax upon distribution of plan assets due to income in respect of a decedent. By naming The College as beneficiary of these assets, the decedent's estate will receive an estate tax charitable deduction. Furthermore, The College with its tax-exempt status will be exempt from recognizing either capital gains or income in respect of a decedent on such gifts.

### **I. Gifts from an IRA**

Special tax-free IRA gifts for those age 73 or older are available.

It is permissible to make tax-favored charitable gifts from traditional and Roth IRA accounts. A total of up to \$100,000 annually can be transferred directly from traditional or Roth IRAs to one or more qualified charities such as The American College free from federal income tax. There may also be state income tax savings. Amounts given in this way count toward the IRA Required Minimum Distribution (RMD) amount for the year of the gift. To make such gifts, it is important to not withdraw funds prior to a gift but have the gift amount distributed directly from an IRA to one or more qualified charities. For those with check-writing privileges on their accounts, this may be the most efficient way to make gifts directly from an IRA.

The IRA charitable rollover rules are as follows:

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1. This law only applies to donors aged 73 or older.
2. It allows a donor to directly transfer up to \$100,000 to any 501(c)(3) public charity(s) in a given calendar year (no private foundations or donor-advised funds).
3. The donor may not receive any benefit in return such as a charitable gift annuity, a charitable remainder trust, or any service or product.
4. The check must go directly from the IRA plan administrator to the charity.
5. If the donor hasn't taken his/her (RMD), these transfers count for a donor's RMD.
6. Since the IRA funds are not being taxed, it is the equivalent of a full income tax deduction, which is especially valuable for non-itemizers.
7. If done properly, the gift will not be treated as a taxable withdrawal to the donor.
8. Donors should not plan on taking an income tax deduction on their taxes; the avoidance of tax on IRA-gifted funds is fully equivalent to an income tax deduction.

### **V. Gifts to Establish Endowed Funds**

An endowed fund arises when a donor makes a gift with the understanding that the funds will be invested in perpetuity and that the earnings will be used to support a specific program (restricted endowment) or the general uses of the institution (unrestricted endowment). An Endowed Fund Agreement or EFA (see Exhibit L) must be signed prior to the establishment of an endowed fund. Any gift for restricted endowment must be reviewed and approved by the GAC prior to executing an EFA.

Donors should be encouraged to describe the specific purposes of their gifts as broadly as possible and to avoid detailed limitations and restrictions. Because conditions change over time, all EFAs should contain the following contingency clause:

*Should the purpose for which this Fund is established ever become incapable of fulfillment because of unforeseen circumstances as determined in the sole judgment of The Gift Acceptance Committee (GAC) (described in part I. B.) , then the income from the endowed fund can be used for such one or more of The American College's educational purposes as the Gift Acceptance Committee (GAC) shall from time to time determine.*

When funded with non-cash assets, the valuation of an endowed fund will reflect the gain or loss that will occur due to liquidation. The College is willing to work with prospective donors on the terms and conditions of restricted endowment funds. All endowed funds must be approved by both the GAC and the Board of Trustees.

### **VI. Grants**

- I. The College is charged with raising philanthropic support for core programs and initiatives of The College. Funds may be derived through grant funding from private, public, and corporate foundations and governmental funding agencies. We define a "grant" as a gift

## TAC Gift Acceptance Policy

of funds awarded by a government agency, a public or private foundation, or a corporation in response to a formal proposal or application submitted by The College. Grants awarded by government agencies will be evaluated on a case-by-case basis.

The College is a grant-seeking, rather than a grant-making, organization. The Office of Advancement will seek key grant-funding partners in our community, state, and nation. These partners, through their financial support, will join The College as we seek to raise the level of professionalism in financial services by promoting ongoing education, ethical practices, and the pursuit of new knowledge for the benefit of society.

- II. Procuring and executing grants and their underlying agreements requires a high degree of accountability. Care must be taken to ensure that the level and type of grant projects undertaken are in keeping with The College's mission and that the ensuing obligations can be fulfilled without impairing existing programs.
- III. All grant requests by all entities of The College or affiliates to private organizations, foundations, and government agencies must be submitted through the Office of Advancement prior to submission. The following procedures must be observed to avoid multiple applications to the same source.

The Senior Vice President for Advancement and Alumni Relations or his/her designated representative along with the Chief Financial & Risk Officer are the primary designated representatives of The College in the negotiation and execution of grant agreements from external sources.

## **VII. Soft Credit Policy for Foundation and/or Corporation Gifts**

Gifts made on behalf of individual donors by community foundations, family foundations, corporations/employers, and other third-party organizations will be accepted and counted in fundraising progress. The donors responsible will receive recognition in the form of a soft-dollar credit, but such contributions from third parties cannot be processed as payments on previously recorded pledges from individual donors.

Corporate matching gifts will be credited to the corporation or corporate foundation that made the gifts. Matching gifts will be designated in accordance with corporate policy or, if there is no such policy, toward the purpose(s) of the gift which triggered the match. Individuals whose gifts trigger these matches may be given soft credit for recognition purposes. Matching gifts cannot be applied toward individuals' pledges.

## **VIII. Gifts from Donor-Advised Funds**

Gifts made from donor-advised funds may be attributed to an individual's pledge as per the Notice of Proposed Regulations (2017-73) from the IRS. The notice concluded that attributing DAF contributions to personal pledges would not be treated as more than an incidental benefit.

However, the following conditions must be satisfied when attributing a DAF contribution to a pledge:

- The sponsoring organization cannot make any reference to the existence of a charitable pledge when making the distribution.
- No donor or advisor may receive any benefit that is considered more than incidental because of the DAF contribution.
- The pledge is not legally binding, and any written or verbal statements that a DAF can be relied on for pledge payments would make the promise conditional.
- Furthermore, a pledge agreement may not imply in any way that the responsibility for the pledge agreement lives with the sponsoring organization (in lieu of the individual, unless the sponsoring organization enters a direct agreement with DCH).
- Therefore, a pledge agreement may not include any language that implies a personal pledge is contingent upon the sponsoring organization honoring the donor's directions.

## **IX. Disposition of Unrestricted Deferred Gifts and Bequests**

The following provides guidance on how proceeds from unrestricted bequests and matured unrestricted deferred gifts are to be designated:

### **A. Matured Unrestricted Charitable Gifts Annuities and Charitable Trusts**

All proceeds from matured unrestricted gift annuities and unrestricted trusts are to be transferred to The College's Annual Giving Fund.

### **B. Unrestricted Bequests**

All proceeds from unrestricted bequests will be recorded as unrestricted annual fund gifts to the institution. As such, ultimate use of those gifts will be determined by the College's Leadership.

## **X. Management Policies**

Gifts may legally commit The College and its Board of Trustees to obligations which extend far into the future. Therefore, the following policies are intended to protect the best interests

## TAC Gift Acceptance Policy

of the donor, official representatives of The College, and welfare of The College itself.

### **A. Conflict of Interest**

The giving program shall be guided by principles of ethical stewardship and shall be donor-centered. The interest of The College shall not take precedence over the interest of the donor. No program or commitment shall be urged upon any prospective donor that would benefit The College at the expense of the donor's interests and welfare.

The College affirms the values of the Donor Bill of Rights developed by national fundraising organizations (see Exhibit M attached).

No employee of The College shall serve in an individual capacity as a fiduciary or personal representative for a donor pursuant to a will, trust agreement, or other legal instrument.

### **B. Solicitation Procedures**

Representatives of The College shall exercise extreme caution to avoid any perception of inappropriate pressure or undue persuasion when dealing with prospective donors. Any information provided to donors regarding a proposed gift, including information relative to benefits, limitations, and tax implications, must be accurate.

All personnel employed by The College to contact prospective donors or to promote the giving program shall be paid a salary or fixed wage. Any performance-based compensation, such as bonuses, shall not be based on a percentage of contributions raised and shall be in accord with Association of Fundraising Professionals Standards No. 16 and 17 (see Exhibit N attached).

### **C. Confidential Information**

All information concerning donors and prospective donors, including but not limited to names, addresses, personal financial or legal information, beneficiaries, nature and value of estate, or value of intended bequests, shall be kept strictly confidential by The College and its personnel unless specific prior permission to disclose is granted by the donor or prospective donor.

### **D. Authorization to Accept Gifts**

The College authorizes the following individuals to negotiate and accept gifts on behalf of The College: the President and CEO, members of the Office of Advancement, or academic/administrative leaders, provided they consult with and receive the approval of the Vice President for Advancement and Alumni Relations and the GAC prior to any discussion

## TAC Gift Acceptance Policy

with a donor prospect that may lead to a formal commitment.

Any naming opportunities, whether facility, academic program, or other program or service of The College shall require the prior approval of the GAC and be in accordance with all applicable federal, state, and College regulations, policies, and procedures. The Board of Trustees may subsequently vote to remove any named facility or academic program or center if the Board of Trustees in good faith believes the image of any naming individual or entity has become tarnished. All donors involved in a naming opportunity must be informed of this policy in writing.

To ensure the proper recognition of donors to The College, they will be stewarded through recognition societies and processes established by the Office of Advancement.

All gifts and pledges made for the benefit of The College during a campaign period will be counted toward the overall campaign fundraising progress. Please refer to the "Campaign Gift Counting Policy" document for further details regarding campaign counting.

### **E. Final Approval, Acceptance, and Execution by The College**

Documents implementing The College's acceptance of any gift, the creation of endowment programs, deferred giving agreements or trusts, and the transfer of real or tangible personal property to The College must be approved as to form by the GAC and College Counsel (if necessary, as determined by this document or GAC). Only individuals authorized by a Board of Trustees resolution shall execute documents on behalf of The College (see Exhibit O attached for Board of Trustee's Resolutions). Documents shall be executed in duplicate and provided to the donor and to the Office of Advancement.

### **F. The College as Fiduciary**

The College normally will not act as personal representative of any estate. The GAC may make exceptions in situations where The College is the only beneficiary.

The College will act as co-trustee of charitable trusts or other irrevocable trusts only upon the conditions described above following Section IV.C.2.

The College will not act as trustee of a revocable trust.

Prospective donors shall be advised that The College, should it serve as trustee, is legally responsible to both income and remainder beneficiaries, and therefore retains complete discretion over the investment of trust funds.

The Finance Department will administer trusts in which The College is acting as co-trustee.

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Trust funds will be invested according to the trust document. Any specific recommendation by the donor regarding trust administration or investment restrictions must appear in the trust document. Any donor recommendation that limits the trustee's investment discretion must be approved by the GAC prior to the gift being accepted.

### **G. Legal Counsel**

Legal counsel knowledgeable in the specialized areas of charitable tax, legal, and estate planning may be engaged, as needed, to draft or review legal documents utilized in The College's giving program. The College will not draft wills or trust documents but may provide sample wording to donors upon request.

The College may provide information regarding the tax and legal implications of a gift but will not provide tax or legal advice. Prospective donors shall be encouraged to consult their own attorneys and advisors in all matters related to the legal and tax consequences of their gift. If a representative of The College suggests a referral to an attorney, it shall be understood that the attorney is retained by and represents the donor/client's interests.

Donors shall have ample opportunity to have all legal documents that implement a gift to The College reviewed by independent legal counsel and shall indicate in writing that they have had that opportunity.

### **H. Disposition of Deferred Gifts and Bequests**

The Board of Trustees has taken specific action regarding all unrestricted deferred gifts and unrestricted bequests. See Exhibit P for current descriptions of disposition policies.

### **I. Record Keeping**

Record keeping for gifts will be divided between the Office of Advancement and the Finance Department as follows:

The Office of Advancement will maintain addresses, contact files and reports, donors' personal and financial information, gift plan negotiations, gift receipts and acknowledgments, gift categorization or purpose code, and will monitor information regarding deceased income recipients.

The Finance Department will be responsible for gift accounting, payment schedules, tax reporting, business records, trust investment and administration, and ultimate disposition of funds.

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### **XI. Modifications, Revisions, and Exceptions**

Any exceptions to this Policy must be reviewed and approved by GAC. The Office of Advancement is responsible for due diligence review and will present a recommendation to the GAC concerning any exception to this Policy.

This Policy may be modified and revised only with approval of the GAC. The Board of Trustees of The American College will provide final approval. Recommend this be done every other year.

**EXHIBIT A**  
**The American College**  
**Real Estate Acquisition Questionnaire**  
**Gifts of Real Estate**

Name of Donor(s): \_\_\_\_\_

1. Location of property:
  
2. Number of parcels and acreage:
  
3. Type of Property: \_\_\_\_ wooded; \_\_\_\_ open; \_\_\_\_ marshlands; \_\_\_\_ other
  
4. How long have you owned the property? What is the nature of ownership; i.e. joint tenancy, tenancy by the entirety, tenancy in common, etc.?
  
5. Current zoning of the property (list any zoning restrictions):
  
6. List improvements (type of building(s), condition, type & date of construction, # of floors):
  
7. Proximity to commercial activity (type, location, and distance):
  
8. Describe the previous use of the buildings/property:

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9. If property is residential, to your knowledge how long has it been used for residential purposes?

10. Improvements:

\_\_\_\_\_ Municipal Sanitary Sewer Line

\_\_\_\_\_ Municipal Storm Sewer Line

\_\_\_\_\_ Municipal Water Line

\_\_\_\_\_ Electrical Power

\_\_\_\_\_ Telephone

11. Access:

\_\_\_\_\_ Frontage on Town/City road

\_\_\_\_\_ Frontage on unimproved road

\_\_\_\_\_ Right-of-way over existing private road

\_\_\_\_\_ Right-of-way unimproved

\_\_\_\_\_ Land locked property

12. Date of last appraisal: Date \_\_\_\_\_ Value \$ \_\_\_\_\_

13. Town/City assessed value \$ \_\_\_\_\_ at \_\_\_\_\_ % FMV

14. Date of last assessment: \_\_\_\_\_

15. Are there any unpaid taxes/attachments of the property? (If yes, please describe):

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16. Is the property subject to mortgage? (If yes, please list current balance and date of borrowing including any subsequent borrowing after initial financing):

17. Current yearly operating expenses are:

Property Taxes \$\_\_\_\_\_ (inclusive of all tax liabilities)

Insurance \$\_\_\_\_\_

Electricity \$\_\_\_\_\_

Heat \$\_\_\_\_\_

Condominium/Homeowner Fees \$\_\_\_\_\_

Road Maintenance \$\_\_\_\_\_

Other \$\_\_\_\_\_

18. Has the property recently been offered for sale? \_\_\_\_\_. If yes, how long has it been on the market? \_\_\_\_\_.

19. Do you wish to reserve any rights to this property? \_\_\_\_\_. If yes, explain:

20. Right-of-ways or easements on the property:

21. Potential or pending legal actions or claims:

22. That is the type of current use and zoning of the adjoining property of the tract being considered as a gift to The American College? Please describe:

23. Does the land have potential for development? \_\_\_\_\_ Please explain:

24. Has the property been known or suspected to have been used as a dumping site, either

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- legally or illegally, for disposal of solid or chemical waste? \_\_\_\_\_. If yes, explain:
25. Any evidence or suspicion of asbestos-containing material or lead paint in the building(s)? \_\_\_\_\_. If yes, please describe:
26. Are there any known or suspected above ground or underground storage tanks on or near the property including fuel oil, heating oil, or gasoline? \_\_\_\_\_. If yes, please describe including distance from property:
27. Other structures and/or improvements on property (e.g., swimming pools, ponds, playgrounds, railroad tracks, etc.):
28. Proximity to landfill:
29. Explain if any of the following apply: wetlands, ponds, waterways, lakes, gorges, caves, wells, or other natural hazards:
30. If The American College sells the property, do you wish the proceeds from the sale to be used in any particular way?

Prepared by \_\_\_\_\_ Date \_\_\_\_\_  
Donor

*The American College is grateful that you are considering this generous gift. Please complete this form and return it to us with a copy of the most recent independent qualified appraisal, a copy of the deed, and any other pertinent information. Thank you for your assistance.*

**EXHIBIT B**  
**The American College**  
**Real Estate Site Review Checklist**  
**Gifts of Real Estate**

Completed by the Senior Vice President for Advancement & Alumni Relations

Phone # \_\_\_\_\_ Reason for Checklist \_\_\_\_\_  
Account Name \_\_\_\_\_ Account Number \_\_\_\_\_

**Policy.** The purpose of completing this Checklist is to perform a due diligence review of real estate prior to accepting title as fiduciary. Most of the information can be obtained from observations during a visit to the property and from conversations with the current owner. The objective is to discover conditions which may create potential liability, unanticipated expenses, or affect the marketability of the property. Photographs should be taken during the visit to supplement this report.

**Owner:** Donor/ Legal title holder: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Address: \_\_\_\_\_

**Owner:** Donor/ Legal title holder: \_\_\_\_\_ Phone \_\_\_\_\_  
# \_\_\_\_\_ Address: \_\_\_\_\_

**Gift Property:**

Street                      Unit #                      City/Town Country                      State Zip Country

**Land Area:** (acres or sq.ft)

**General Description:**

**Tax Cost Basis:**

**Date of Purchase/Inheritance:**



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markers? \_\_\_\_\_ Does the land have legal frontage or an easement right to cross adjacent land for access? \_\_\_\_\_ If the land is undeveloped, what evidence exists to confirm that it can be built on? \_\_\_\_\_

**Building Condition:** Circle existing building components and note any unsatisfactory building conditions revealed in conversations with owner and/or visible from your inspection with the following:

Foundation: Poured concrete Concrete block Field stone Sump pump

Siding : Shingle Clapboard Brick Stucco Asbestos Vinyl Aluminum

Roof: Asbestos/Tar Shingle Woodshake Slate Metal Tar&Gravel Rubber

Plumbing: Copper Lead; Waste: Iron PVC

Electrical: Volts 110 220; Amps 60 100 200; circuit breaker fuse

Heating System: Hot water\* Hot Air Steam\* Solar Electric Space heater Wood stove

Heating Fuel: Gas Electric Propane Wood Solar Oil (Important: UST ? \_\_\_\_\_ )

Air Conditioning: Window units Central

Hot Water\*: Oil Gas Electric Propane Solar Tankless

Water Source\*: Municipal Well

Sewage disposal \*\*: Municipal Septic system

Swimming pool: Inground Aboveground Fenced

Fixtures included with house: Stove Refrig AC unit Chandelier Other

Garage: Separate Attached Cars: 1 2 3 4 Heat: yes no Automatic door

Security: Burglar Fire Low heat sensor Access: Code Special key \_\_\_\_\_

**Policy.** \*Domestic water and hot water heating systems should be drained during periods of freezing -weather. \*\*In certain states, a septic inspection and certification is required upon the transfer to or addition of new interested parties in the title.

**Environmental:**

**Policy:** For residential property, the necessity for a Phase I Environmental Audit shall be determined after reviewing the following responses. For property used currently or in the past for any commercial, industrial or other non-residential purpose, a Phase I Environmental Audit by a professional engineer shall be performed.

No \_\_\_\_\_ Yes \_\_\_\_\_ Don't Know \_\_\_\_\_

- The property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or other non-residential purpose.
- Stressed vegetation, unusual bare spots, oil sheens, unusual odors in standing water.
- *Underground oil tank(s) or unexplained outside vent pipe or unused pipes in basement walls.*
- Large electric transformers (PCBs)

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- Previous tests indicating radon
- Lead paint (usually present in pre 1980 homes)
- Asbestos insulation
- Termites/carpenter ants/ other pests
- Urea foam formaldehyde insulation (installed in 1970s)
- Flood plain or coastal exposure
- Earthquake potential
- Extensive wetlands or drainage problems
- Endangered plants or wildlife
- Hazardous materials or debris stored on land
- Known chemical or oil spill on land
- Adjacent commercial or contaminated property

### **COMMENTS.**

Questions? Contact

By:

Date:

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**EXHIBIT C**  
[IRS Form 8282](#)

**EXHIBIT D**  
[IRS Form 8283](#)

**EXHIBIT E**  
**The American College**  
**Declaration of Gift**

Upon acceptance by The American College, I/we, the undersigned Donor(s), hereby give and convey to **The American College**, a Pennsylvania nonprofit corporation with principal offices at 630 Allendale Road, Suite 400, King of Prussia, Pennsylvania, all right (including copyright), title and interest in and to the personal property described below or in the attached inventory:

Appraised Value (attach copy of independent appraisal if gift value is \$5000 or more, or indicate date copy will be sent): \$ \_\_\_\_\_

Please initial the statement that pertains to this gift and describe any restrictions or conditions, if applicable:

\_\_\_\_\_ This gift is made without restrictions or conditions. I/We understand that the location, retention, use, preservation and disposition of the personal property comprising this gift will be at the discretion of The College, and that The College reserves the right to sell or otherwise dispose of some or all of this property.

\_\_\_\_\_ This gift is made with the following restrictions or conditions:

I/We warrant that I am/we are the sole owner(s) of the personal property described above (including any copyright interest therein), that it is free and clear of any encumbrances, liens or other interests, and that I/we have full right, power and authority to give it to The American

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College. I/We have received an explanation of all terms and conditions of this Declaration of Gift, have had opportunity to consult independent legal counsel, and agree to them as indicated by my/our signature(s) below.

Date: \_\_\_\_\_ Donor's Signature

Date: \_\_\_\_\_ Donor's Signature

Donor's Name and Address (Please Print): \_\_\_\_\_

Donor's Social Security Number: \_\_\_\_\_

Donor's Telephone Number: ( ) \_\_\_\_\_

**The American College** accepts the property described above subject to any stated restrictions or conditions.

\_\_\_\_\_ President and Chief Executive Officer

\_\_\_\_\_ Sr. Vice President of Advancement

**EXHIBIT F**  
**The American College**  
**Irrevocable Pledge Agreement**

I, \_\_\_\_\_, residing at \_\_\_\_\_,  
\_\_\_\_\_, , in consideration of my interest in higher education, and in consideration of similar promises by other donors and for other good and valuable consideration, the receipt of which is acknowledged, and intending to be legally bound by this pledge, do hereby irrevocably promise and pledge that my estate shall be obligated to pay to **The American College**, a Pennsylvania nonprofit corporation with principal offices at 630 Allendale Road, Suite 400, King of Prussia, Pennsylvania, subsequent to my death, the sum of \$ \_\_\_\_\_ ( \_\_\_\_\_).

**Purpose of Gift.** This sum, when paid from my estate, shall be used by **The American College** for the following purpose:

\_\_\_\_\_.

I acknowledge that **The American College's** promise to use the amount pledged by me and/or **The American College's** actual use of the money pledged by me for the purposes specified shall each constitute full and adequate consideration for this pledge.

**Time of Payment.** I direct my executor, administrator, trustee, or other personal representative to pay this sum within one (1) year from the date of my death, without interest if paid within such period.

**Nature of Pledge.** This pledge is irrevocable and is a present binding obligation upon my estate. The rights and obligations created by this pledge shall remain effective and enforceable regardless of the terms of any future will or codicil I may execute, and regardless of the revocation of any future will or codicil I may execute.

**Payments During Lifetime.** This pledge may also be satisfied in part or in full by payments made by me or on my behalf at my discretion during my lifetime, and so designated by me in writing delivered to **The American College** at the time of the gift. Any amounts paid by me from the date of this Agreement to the date of my death which are so designated shall reduce the amount my estate is obligated to pay after my death under the terms of this Agreement. Any amounts not so designated shall conclusively be presumed not to be in reduction of the amount pledged herein.

**Gifts by Will or Living Trust.** In the event that **The American College** is a beneficiary, whether as a specific or residuary legatee, under the terms of my duly-probated Will or a Living Trust in effect at the date of my death, the amount so received by **The American College** shall reduce the unpaid amount pledged herein.

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**Independent Advice.** I acknowledge that I have had ample opportunity to obtain independent legal, financial, and tax advice prior to signing this document, that I have either obtained such advice or decided not to do so of my own volition, and that I am not relying on any such advice provided by **The American College**.

**Heirs and Assigns.** This Agreement shall be binding upon the successors, heirs, personal representatives, and assigns of each party.

**Governing Law.** This Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania.

This Agreement is executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**Donor:**

Donor's Name

Donor's Signature

**Witness:**

Witness's Name

Witness's Signature

**ACCEPTANCE**

**The American College**, by the undersigned duly-authorized representative, hereby accepts the stated pledge and agrees to the terms thereof.

**The American College**

by \_\_\_\_\_

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**EXHIBIT G**  
**The American College**  
**Charitable Remainder Trust Information Disclosure**

Federal income tax regulations describe a charitable remainder trust as a trust which provides for a specified distribution, at least annually, to one or more beneficiaries, for life or for a term of years, with an irrevocable remainder interest to be held for the benefit of, or paid over to, charity. [Reg. Sec. 1.664-1(a)(1)(i)]

Should The American College be named as trustee of a charitable remainder trust, the The American College Finance Department will administer the charitable remainder trust. In addition, The American College reserves the right to retain the services of a third party for investment and tax preparation purposes.

While the trust document can include investment instructions, under current regulations a trust cannot qualify as a charitable remainder trust if there is any provision in the governing instrument that “restricts the trustee from investing the trust assets in a manner which could result in the annual realization of a reasonable amount of income or gain from the sale of disposition of trust assets.” [Reg. Sec. 1.664-1(a)(3)] Further, The American College segregates all charitable remainder trusts. Payments to the income beneficiaries are made from the individual trust assets.

Prior to The American College serving as co-trustee of a charitable remainder trust, the donor and the College shall review and approve the following: initial fair market valuation of the assets used to fund the trust, payout percentage, payment dates, investment policies, and any other financial and legal consideration that might affect the trust document.

A federal income tax deduction for a charitable gift is allowed under current federal regulations. The estimated values of your deduction are calculated and provided for you as of the date of the gift. The value of the charitable remainder interest on which the charitable deduction is based in a charitable remainder trust may be affected by a variety of factors. Individuals should consult with their personal tax advisor as to these factors and to other tax implications of this transaction prior to signing a charitable remainder trust document.

You are advised to seek independent legal counsel, knowledgeable in the specialized area of charitable tax and estate planning, to draft or execute all charitable remainder trust documents.

Your signature in the space below indicates that you have read this information, that you understand the legal and tax implications of a charitable remainder trust, and that you have had ample opportunity to obtain independent legal and tax advice.

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\_\_\_\_\_ Donor

\_\_\_\_\_ Donor

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**EXHIBIT H**  
**The American College**  
**Charitable Gift Annuity Agreement**

THIS CHARITABLE GIFT ANNUITY AGREEMENT ("Agreement") is made between ("Donor"), and THE AMERICAN COLLEGE ("The American College"), a nonprofit corporation organized and existing under the laws of the Commonwealth of Pennsylvania since 1927, and with a current business address of 630 Allendale Road, Suite 400, King of Prussia, PA 19406.

RECITALS

**WHEREAS, the Parties have agreed to enter into this Charitable Gift Annuity Agreement based upon certain actuarial data and interest rate calculations. The Donor understands that a portion of the funds deposited with The American College is expected to be a gift to The American College. With this in mind, The American College discloses the assumptions that have been made to calculate the annuity payments. The annuity payments to be paid to the Donor, described below, are based upon the estimated actuarial life of the Donor. The Donor is presently ( ) years of age. The first date that the annuity payments will be made is . The estimated actuarial life span of the Donor is ( ) years. This is an estimate only and is not guaranteed by the terms of this Agreement. The interest rate used to calculate the annuity payment is percent (0.0%). The net present value of the charitable gift to The American College is and 00/100 Dollars (\$0.00).**

**Should the purpose for which this charitable gift annuity was established ever become incapable of fulfillment because of unforeseen circumstances as determined in the sole judgment of the Board of trustees of The American College, then the charitable gift annuity assets can be used for such one or more of The American College's educational purposes as the Board of trustees shall determine.**

**TERMS AND CONDITIONS**

NOW THEREFORE, in consideration of the mutual promises made herein, and intending to be legally bound, the Donor and The American College agree as follows:

1. Donor has transferred to The American College the property listed on Schedule A attached hereto, receipt of which is hereby acknowledged by The American College, subject to all terms and conditions set forth in this Agreement.
2. The American College, commencing on , 20 , shall pay the Donor,

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for his/her lifetime, an annuity or annual sum of \_\_\_\_\_ and 00/100 Dollars (\$0.00).

3. The annuity payments required by this Agreement shall be paid in equal quarterly installments of \_\_\_\_\_ and 00/100 Dollars (\$0.00) on the last day of March, June, September and December which will be prorated for the initial partial year of 20 \_\_\_\_\_ and the final partial year; provided, however, the obligation of The American College to make annuity payments shall terminate upon the death of the Donor. The first partial quarterly installment shall be \_\_\_\_\_ and 00/100 Dollars (\$0.00) payable to you on \_\_\_\_\_.
4. This annuity is not assignable, with the exception that it may be assigned to The American College.
5. The American College shall use the gift made under this Agreement for the \_\_\_\_\_.

630. The fair market value of the property transferred to The American College, as of the date of this Agreement, is substantially in excess of the fair market value of the annuity payable under Paragraphs 2 and 3 above, and the difference between these values constitutes a gift by Donor to The American College for its charitable purposes.

631. The American College has advised Donor that a charitable gift annuity is not designed primarily as an investment but as a charitable gift and Donor acknowledges that prior to making this Agreement she received and examined a copy of the Disclosure Statement which explains the The American College Charitable Gift Annuity Program.

632. This qualified gift annuity qualifies under section 501(m)(5) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. and 501(m)(5) or any successor provision and is not designed primarily as an investment but rather as a charitable gift. The American College's promise to pay the annuity is not insurance under the laws of Pennsylvania, is not subject to regulation by the Pennsylvania Insurance Department, and is not protected by the Pennsylvania Life and Health Insurance Guaranty Association under Article XVII of the Act of May 17, 1921 (P.L. 682, No. 284) (known as The Insurance Company Law of 1921), or any other protective device. Rather, all

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the assets of The American College stand behind this promise to pay.

633. The American College is a “qualified charity” under Pennsylvania’s Charitable Annuity Exemption Act because it is an organization described in section 170I of the Internal Revenue Code of 1986, as amended (the “Code”), has been in continuous existence for at least three years, has unrestricted and unencumbered assets in the form of cash, cash equivalents or publicly traded securities of at least \$100,000 plus one-half of the principal value of all charitable gift annuities issued by The American College and in effect as of the date of this Agreement, and is an educational institution approved by the Pennsylvania Department of Education.

634. Donor may obtain a copy of The American College’s status under the Code and of its audited financial statements by contacting:

Office of Advancement  
The American College  
630 Allendale Road, Suite 400  
King of Prussia, PA 19406

11. This Agreement shall be entered into in, construed in accordance with, and governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the Donor and The American College by its duly authorized officer, have executed this Agreement this     day of     , 20 .

Witnesses:

\_\_\_\_\_ , Donor

Attest: \_\_\_\_\_ THE AMERICAN COLLEGE

\_\_\_\_\_  
By: \_\_\_\_\_  
Name:  
Title:

TAC Gift Acceptance Policy

Name of Donor:

Address of Donor:

Donor's Date of Birth:

Donor's Social Security No.:

Date of Gift:

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**SCHEDULE A**

TO THE CHARITABLE GIFT ANNUITY AGREEMENT OF  
    , Donor  
    AND  
THE AMERICAN COLLEGE  
    dated

and 00/100 Dollars (\$0.00)

**EXHIBIT I**  
**The American College**  
**Deferred Charitable Gift Annuity Agreement**

THIS DEFERRED CHARITABLE GIFT ANNUITY AGREEMENT ("Agreement") is made between \_\_\_\_\_ ("Donor"), and THE AMERICAN COLLEGE ("The American College"), a nonprofit corporation organized and existing under the laws of the Commonwealth of Pennsylvania since 1927, and with a current business address of 630 Allendale Road, Suite 400, King of Prussia, Pennsylvania 19406.

RECITALS

**WHEREAS, the Parties have agreed to enter into this Deferred Charitable Gift Annuity Agreement based upon certain actuarial data and interest rate calculations. The Donor understands that a portion of the funds deposited with The American College is expected to be a gift to The American College. With this in mind, The American College discloses the assumptions that have been made to calculate the annuity payments. The annuity payments to be paid to the Donor, described below, are based upon the estimated actuarial life of the Donor. The Donor is presently ( ) years of age. The first date that the annuity payments will be made is . The estimated actuarial life span of the Donor is ( ) years. This is an estimate only and is not guaranteed by the terms of this Agreement. The interest rate used to calculate the annuity payment is percent (0.0%). The net present value of the charitable gift to The American College is and 00/100 Dollars (\$0.00).**

**Should the purpose for which this charitable gift annuity was established ever become incapable of fulfillment because of unforeseen circumstances as determined in the sole judgment of the Board of trustees of The American College, then the charitable gift annuity assets can be used for such one or more of The American College's educational purposes as the Board of trustees shall determine.**

**TERMS AND CONDITIONS**

NOW THEREFORE, in consideration of the mutual promises made herein, and intending to be legally bound, the Donor and The American College agree as follows:

1. Donor has transferred to The American College the property listed on

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Schedule A attached hereto, receipt of which is hereby acknowledged by The American College, subject to all terms and conditions set forth in this Agreement.

2. The American College, commencing on \_\_\_\_\_, 20\_\_\_\_, shall pay the Donor, for his/her lifetime, an annuity or annual sum of \_\_\_\_\_ and 00/100 Dollars (\$0.00).
3. The annuity payments required by this Agreement shall be paid in equal quarterly installments of \_\_\_\_\_ and 00/100 Dollars (\$0.00) on the last day of March, June, September and December which will be prorated for the initial partial year of 20\_\_\_\_ and the final partial year; provided, however, the obligation of The American College to make annuity payments shall terminate upon the death of the Donor. The first partial quarterly installment shall be \_\_\_\_\_ and 00/100 Dollars (\$0.00) payable to you on \_\_\_\_\_.
4. This annuity is not assignable, with the exception that it may be assigned to The American College.
6. The American College shall use the gift made under this Agreement for the \_\_\_\_\_.
6. The fair market value of the property transferred to The American College, as of the date of this Agreement, is substantially in excess of the fair market value of the annuity payable under Paragraphs 2 and 3 above, and the difference between these values constitutes a gift by Donor to The American College for its charitable purposes.
7. The American College has advised Donor that a charitable gift annuity is not designed primarily as an investment but as a charitable gift and Donor acknowledges that prior to making this Agreement she received and examined a copy of the Disclosure Statement which explains the The American College Charitable Gift Annuity Program.
8. This qualified gift annuity qualifies under section 501(m)(5) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. and 501(m)(5) or any successor provision and is not designed primarily as an investment but rather as a charitable gift. The American College's promise to pay the annuity is not insurance under the laws of Pennsylvania, is not subject to regulation by the Pennsylvania Insurance Department, and is not protected by the Pennsylvania Life and Health

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Insurance Guaranty Association under Article XVII of the Act of May 17, 1921 (P.L. 682, No. 284) (known as The Insurance Company Law of 1921), or any other protective device. Rather, all the assets of The American College stand behind this promise to pay.

- 9. The American College is a "qualified charity" under Pennsylvania's Charitable Annuity Exemption Act because it is an organization described in section 170(c) of the Internal Revenue Code of 1986, as amended (the "Code"), has been in continuous existence for at least three years, has unrestricted and unencumbered assets in the form of cash, cash equivalents or publicly traded securities of at least \$100,000 plus one-half of the principal value of all charitable gift annuities issued by The American College and in effect as of the date of this Agreement, and is an educational institution approved by the Pennsylvania Department of Education.
- 10. Donor may obtain a copy of The American College's status under the Code and of its audited financial statements by contacting:

Office of Advancement  
 The American College  
 630 Allendale Road, Suite 400  
 King of Prussia, PA 19406

- 12. This Agreement shall be entered into in, construed in accordance with, and governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the Donor and The American College by its duly authorized officer, have executed this Agreement this    day of    , 20 .

Witnesses:

\_\_\_\_\_ , Donor

Attest:

THE AMERICAN COLLEGE

By: \_\_\_\_\_

TAC Gift Acceptance Policy

Name:

Title:

Name of Donor:

Address of Donor:

Donor's Date of Birth:

Donor's Social Security No.:

Date of Gift:

**SCHEDULE A**

TO THE DEFERRED CHARITABLE GIFT ANNUITY AGREEMENT OF  
    , Donor  
    AND  
THE AMERICAN COLLEGE  
    dated

and 00/100 Dollars (\$0.00)

Insert date approved

**EXHIBIT J**  
**The American College**  
**Charitable Gift Annuity Information Disclosure**

When an individual (the donor) signs a gift annuity agreement with The American College, he or she is entering a contract. Under that contract, The American College is obligating itself to make agreed-upon annuity payments during the lifetime of the annuitant(s). In return for this obligation, the donor irrevocably transfers assets to The American College.

Unlike a trust, The American College does not segregate the annuity assets and pay income which is earned directly by those assets. Rather, The American College invests the assets (pooled with other charitable gift annuity assets) in a manner consistent with its institutional investment policy and pays the annuitant as promised in the gift annuity agreement. To protect all parties, all annuity funds are separately accounted for and The American College's promise of payment is backed by all of the unencumbered assets of The American College.

The annuity payment rate is negotiated between the donor and The American College and is stated in the gift annuity agreement. As a general practice, The American College uses payment rates which are actuarially calculated based upon the age of the annuitant or annuitants. Annuity payment rates are calculated such that approximately 40% - 50% of the value of the assets transferred is deductible as a charitable gift under federal regulations. Individuals should consult with their personal tax advisor as to tax implications of the transaction prior to signing a gift annuity agreement.

Your signature in the space below indicates that you have read this information and the attached sample gift annuity agreement, that you understand these documents, and that you have had ample opportunity to obtain independent tax and/or financial advice.

\_\_\_\_\_ Donor

**EXHIBIT K**  
**The American College**  
**Memorandum of Understanding**  
**Remainder Interest in Real Estate**

**THIS AGREEMENT** is entered into by and between **THE AMERICAN COLLEGE**, a Pennsylvania nonprofit corporation and qualified exempt Section 501(c)(3) organization with principal offices at 630 Allendale Road, Suite 400, King of Prussia, Pennsylvania, 19406 ("The College"), and \_\_\_\_\_ and \_\_\_\_\_, husband and wife, both residing at \_\_\_\_\_, \_\_\_\_\_ ("Donors").

**WHEREAS**, the Donors have this day executed a deed conveying to The College a remainder interest in their real property situated at \_\_\_\_\_, County of \_\_\_\_\_, State of \_\_\_\_\_, and commonly known as \_\_\_\_\_ (the "Property").

**NOW THEREFORE**, the parties hereto agree as follows:

- 1. The Donors, jointly and severally, shall have the sole responsibility for maintaining the property, insuring the property against loss and liability, paying real estate taxes, association fees or assessments, utilities, repairs, and any other indebtedness (including mortgage payments) relating to the property. The Donors shall not, without the consent of The College, permit any lien or mortgage to be placed on the property other than liens or mortgages which may now exist, and shall not, without the consent of The College, permit the amount of any lien or mortgage now existing to increase.**
- 2. The Donors shall, during their respective lifetimes, have the sole right to occupy and utilize the premises as their residence and to lease the premises to any other person for use as a personal residence. The College shall join in any lease of the premises to another in order to permit the lease term to continue beyond the death of the surviving Donor, provided that such term shall not continue for more than one year beyond the date of death of the surviving Donor and provided further that The College shall be entitled to the rent from the property from the date of death of the surviving Donor.**
- 3. Neither the Donors shall any lessee of the Donors shall allow the property to be used in any manner which may cause an environmentally hazardous condition.**
- 4. In the event of any damage to the property (including environmental contamination), the**

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**Donors, at their sole expense, shall cause such damage to be repaired unless the Donors and The College shall agree that it is impractical to do so, in which case, any insurance proceeds resulting from such damage shall be divided between The College and the Donors in accordance with the value of their respective interests as of the date such damage occurred. For purposes of determining the value of The College's interest in the event of such loss, the value shall be determined in the same manner as is used to value a remainder interest in a personal residence as is provided in U.S. Treasury Regulations Section 1.170.**

- 5. The Donors, jointly and severally, agree to hold The College harmless against any and all liability arising from the property during their lifetimes. The Donors may at any time or times at their sole expense make improvements to the property, provided that such improvements shall not result in a reduction of the value of the property.**
  
- 6. The Donors warrant that they have had ample opportunity to have all documents relative to this transaction reviewed by independent legal counsel of their choosing.**

**IN WITNESS WHEREOF**, the parties hereto have set their hands and seals the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**DONORS**

**THE AMERICAN COLLEGE**

by \_\_\_\_\_

**EXHIBIT L**  
**The American College**  
**Endowed Fund Agreement**

This ENDOWED FUND AGREEMENT is entered to express the terms and conditions on which **Donor** intends to establish the **Name of Fund**.

Assets designated by the **Name of Fund** shall be invested in accordance with the The College Investment Policies and Guidelines for College-Owned Investments. Endowed Funds will not be awarded until the fair market value reaches \$100,000. Accordingly, the endowment shall follow The College's endowment distribution policy.

:

**Scholarship Fund Restrictions**

In the event that there are no students who meet the qualifications stated above, The College may make the award to any student who demonstrates financial need.

Contributions may be made to the Fund by members of **donor** family or by **his/her/their** friends. In the event that additional contributions are made, they shall be held and administered according to the terms and conditions expressed in this Endowed Fund Agreement.

Should the purpose for which this Fund is established ever become incapable of fulfillment because of unforeseen circumstances as determined in the sole judgment of the Board of Trustees of The College, then the income from the endowed fund can be used for such one or more of The College's educational purposes as the Board of Trustees shall from time to time determine.

It is with deep appreciation to **Donor** that this Endowed Fund Agreement is accepted on behalf of The College and executed this **day of month, 20\_\_**.

Donor: \_\_\_\_\_ Donor's Name

Rev. 1/28/16

**EXHIBIT M**  
**The Donor Bill of Rights**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

*The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations.*

**EXHIBIT N**  
**Association of Fundraising Professionals Standards No. 16 & 17**  
**Standard No. 16**

Members shall not accept compensation that is based on a percentage of contributions; nor shall they accept finder's fees.\*

**Guidelines**

- a. Members accept compensation based upon experience, expertise, and the time requirements of the engagement.
- b. Members, when declining an offer of compensation that includes a portion based upon a percentage of the funds raised, provide information in support of this standard, such as the AFP Position Paper on Professional Compensation.
- c. Members recognize that fundraising is a continuing practice in which present funds received may be the results of efforts of others in previous years, and, likewise, current fundraising activities may result in future funds.
- d. Members do not seek, pay, or accept, and they discourage their organizations from paying, percentage-based compensation or commissions for obtaining philanthropic funds as defined by and subject to government regulations, or as reported on government reporting forms as contributions, gifts, grants, or similar amounts received.
- e. Members help organizations recognize that costs involved in fundraising include staff compensation and that donors do accept organizational costs for such activities.
- f. Members who offer services as proposal writers with any of their compensation contingent upon the funding of a proposal do so only if the terms are stated in writing in advance and the compensation is not based on a percentage of the funds sought or raised.

**Examples of Ethical Practice**

1. Refusing to accept any part of one's compensation as a percentage of funds raised or expected to be raised.
2. Recognizing the difference between percentage-based compensation and a bonus plan, accepting only the latter should it be part of an organization's regular practices. (See Standard No. 17)
3. Promoting the principles upon which the guidelines for this standard are based.
4. Encouraging your organization to avoid paying a third party — such as an attorney, financial planner, or provider of such services as direct mail and telemarketing — a fee for service that is a percentage of the value of the related contribution or trust.

**Examples of UnEthical Practice**

1. Accepting percentage-based compensation because an organization lacks sufficient budget, with the expectation that such will be converted to salary or fee when funds are available.
2. Disguising compensation as salary, fee or bonus when it is, in truth, a percentage of funds

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raised.

3. Accepting a compensation package in which a part is salary or fee and the balance is to be made up of a percentage of the funds to be raised.

\* Refer to AFP's Professional Compensation Position Paper.

### **Standard No. 17**

Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations, and are not based on a percentage of contributions raised.

#### **Guidelines**

- a. Members' freedom to accept performance-based compensation is based on the fact that AFP recognizes that such can be an ethical way to reward practitioners who exceed the scope of effort covered by their established salary or contracted fee.
- b. Members may accept performance-based compensation under the following conditions:
  - (1) the member's organization has a policy and practice that awards performance-based compensation; and
  - (2) the policy has the approval of the organization's governing body; and
  - (3) the policy and practice include, but are not limited to, the member's area of responsibility, e.g., are a norm within the organization; and
  - (4) the criteria are restricted to mutually agreed-upon, preestablished overall goals; and
  - (5) the criteria for determining the eligibility for, and amount of, such compensation shall exclude any consideration of a percentage of philanthropic contributions as defined by, and subject to, government regulations, or as reported on government reporting forms as "contributions, gifts, grants and similar amounts received." This should be interpreted as an absolute prohibition of any reference to, or use of, a percentage of philanthropic income to determine compensation, either in effect or actuality.
- c. Members understand the provisions of the IRS "Intermediate Sanctions" regulations in the U.S., or their equivalent in other countries, that apply to executive compensation.

#### **Examples of Ethical Practice**

1. Including in the bonus plan's criteria nonfinancial indicators such as quality improvement, attaining anti-discrimination goals, management of human resources or achievement of overall unit goals.
2. Including in the criteria financial indicators such as cost effectiveness, budget savings, meeting or exceeding dollar goals and increasing the amount of the average contribution.
3. Including in the criteria consideration of nonfinancial indicators of productivity, such as an increase in the number of contributors, an increase in the number of volunteers, an increase in the number of contribution renewals and an increase in the number of prospects.
4. Including in the criteria consideration of financial indicators for which a contributor may not

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legally claim a philanthropic deduction, such as sales of products or services, membership dues and unrelated business income.

### **Examples of UnEthical Practice**

1. Accepting a bonus plan that includes in its criteria a percentage of the funds raised.
2. Accepting performance-based compensation developed and approved after the fact, e.g., after the end of the fiscal period.

## **EXHIBIT P**

### **Disposition of Unrestricted Deferred Gifts and Unrestricted Bequests**

The following provides guidance on how proceeds of unrestricted bequests and matured unrestricted deferred gifts are to be designated:

#### A. Matured Unrestricted Charitable Gift Annuities and Charitable Trusts

All proceeds from matured unrestricted gift annuities and unrestricted trusts are to be transferred to the unrestricted American College Fund, for immediate usage if needed..

#### B. Unrestricted Bequests

All proceeds from unrestricted bequests will be recorded as unrestricted American College Fund gifts to The American College. As such, ultimate use of those gifts will be determined by the Gift Acceptance Committee (GAC) after the close of fiscal year.