NPCA Gift Acceptance and Campaign Counting

All NPCA employees and volunteers must adhere to this policy, which also acts as a guide for prospective donors and their advisors, providing assurance that all donors are treated equitably. These policies cover both current and deferred gifts from individuals and are structured to protect the interests of both NPCA and its donors.

Gift Acceptance Committee

The Gift Acceptance Committee (the "Committee") shall be comprised of the President & CEO, Executive Vice President, Chief Financial Officer, General Counsel, Senior Vice President for Development, Director of Planned Giving, and the Senior Managing Director of Development.

The Committee has the authority to accept all gifts that are consistent with NPCA's mission and that support its core programs, as well as special projects. The Committee may also reject any gift or potential gift from any source for any reason if the Committee finds it to be incompatible with the best interests of NPCA. NPCA will provide prompt notification of acceptance or rejection to the donor or the donor's representative.

Certain types of gifts must be reviewed by the Committee prior to acceptance due to the special liabilities they may pose. Examples of gifts subject to prior review include, but are not limited to, the following: real property; tangible personal property; irrevocable life insurance policy transfers; and non-marketable or closely-held securities.

Gifts generally accepted without review include the following: cash, marketable securities, life insurance payouts, commercial annuities, retirement plan and pay-on-death distributions, and charitable remainder trusts or charitable lead trusts distributions.

All decisions by the Committee are subject to final approval of the President & CEO.

Restrictions on gifts

NPCA will make every effort to accommodate and accept all charitable contributions from donors. However, it will not accept gifts that:

- Violate the terms of this policy;
- Are for purposes that do not further NPCA's mission;
- Could damage the reputation of NPCA;

- Are too difficult or expensive to administer;
- Could create unacceptable liability or cause NPCA to incur future unanticipated expenses;
- Would jeopardize NPCA's tax-exempt status; or
- Provide a donor with goods or services of financial value in exchange for said donor's gift unless such value is fully disclosed in the time and manner as required under federal and state law and regulations.

If a gift falls into one of the above categories, the development officer working on the gift must notify the Senior Vice President for Development, who will bring the matter to the Gift Acceptance Committee to make the final decision as to whether to accept it.

Gifts from public officials, political figures and political committees

Gifts to NPCA from public officials, political figures, campaign committees, political action committees, or other organizations that make expenditures supporting or opposing candidates or causes, may **not** be conditioned on or result in any personal benefit to the contributor or a family member of the contributor. (For purposes of such gifts, "personal benefit" should be interpreted broadly.) No NPCA employee, or agent on behalf of NPCA, may knowingly provide or promise to provide a personal benefit to such a contributor (or family member of such a contributor) as a condition of or in connection with such a gift. Questions regarding the propriety of such a gift should be directed to the Gift Acceptance Committee.

Submitting and executing gift agreements

A written gift agreement is required for all pledges of $25,000 or more. All gift agreements and pledges should be in the form of the templates prepared by the Development Department and approved by the Gift Acceptance Committee. Questions on use of the gift agreement templates should first be directed to the Development Operations Office in Development.

There may be circumstances where a pledge is **under** $25,000 but a gift agreement should or may still be used. These include but are not limited to:

- Pledges that have multi-year payment schedules and are not considered the donor's annual gift (typically $10,000 or more).
- An agreement to document the stewardship terms of a contribution. The funds may or may not be paid in cash (there may be no payment schedule or multi-year pledge, just an outright gift that should be documented so its purpose is preserved, and NPCA's responsibilities and the donor's wishes are documented).

Multi-year pledge payment schedules will only be permitted if the annual payment is at least $1,000 per year. The maximum pledge payment schedule is five years. Any request for a pledge to be paid over more than five years must be approved by the Senior Vice President for Development.

Any substantial deviations from the standard gift agreement templates must be approved by the Senior Vice President for Development in consultation with the Gift Acceptance Committee.

The Senior Vice President for Development, and the donor(s), must sign all gift agreements, and additional signatures may be required for gifts restricted to certain purposes (see below). NPCA signatures should be obtained prior to the donor(s) signature(s), in the event that NPCA requires any changes to be made prior to donor agreement.

The signature of the President & CEO is required to establish any gift with related naming rights.

Gift agreements, including agreements structured as corporate or foundation grants, should never include terms creating an exclusive relationship between NPCA or one of NPCA's units, and an outside entity. Exceptions to this rule must be approved by the President & CEO and will rarely be granted.

Pledges from individual donors that are likely to be paid in full or part through either a private or family foundation or a donor-advised fund should be written in the form of a non-binding statement of intention in order to prevent the donor, foundation or donor-advised fund from potentially violating certain provisions against self-dealing under the federal tax laws. In these circumstances development officers should consult with the Office of Planned Giving for assistance in drafting the agreement.

All NPCA employees must comply with the policy on Fundraising Coordination.

Gift receipts

Donor Relations will provide a gift receipt to all NPCA development donors that is prepared in accordance with applicable IRS requirements.

Gift designations and restrictions

- NPCA may accept gifts with specific designations.
- The donor will not be permitted to choose any individual recipient(s) or beneficiary(ies) of their gift. For example, donors may not choose the holder of an endowed position.
- Whenever possible, any restrictions related to the use or purpose of a gift should be written as "preferences" to allow NPCA the greatest latitude in ensuring future use. When that is not possible, it is desirable to reserve the authority of the Board of Trustees to change the use or purpose of the gift as may be called for by changed circumstances.
- Unless waived by the Gift Acceptance Committee, gift agreements concerning gifts of endowment must include the standard clause regarding frustration of purpose/changed circumstances.
- If a designation or account of a contribution needs to be changed at a later date, Development Operations requires written approval from the donor and the Senior Vice President for Development.

Specific types of gift assets

Cash

- Gifts of cash under $25,000 that are paid in full do not require a written gift agreement or any prior approvals. However, the donor may request or the development officer may choose to execute a gift agreement to clarify any restrictions and to outline stewardship responsibilities.

- Unrestricted gifts of cash will be used to support NPCA's highest priorities and may be added to NPCA's endowment.

Marketable securities (stocks and bonds)

- The minimum value for any gift of marketable securities is $100.

- The Office of Finance approves and coordinates acceptance of all gifts of marketable securities.

- The Office of Finance will calculate the value of the gift by using an average of the high and low trading price on the date of the gift. Once the Office of Finance has determined the value of the gift, it will forward that information to Development Operations, which will book the gift at the determined value and share with Donor Relations to generate and provide a gift receipt to the donor.

- In most cases, gifts of marketable securities will be promptly sold in accordance with established NPCA practice. The Chief Financial Officer and the Senior Vice President of Development must approve any request by a donor that NPCA hold and refrain from selling a marketable security.

Non-marketable or closely-held securities

- The minimum value for any gift of a non-marketable or closely-held security is $10,000.

- The Gift Acceptance Committee must approve all gifts of non-marketable and closely-held securities. Because of the unique nature of these securities, special due diligence review may be required prior to acceptance.

- These securities include: partnerships, limited partnerships, limited liability companies, closely-held companies, stock of entities that fall under SEC Rule 144, legend stock or bonds of entities that are thinly traded, and stock of entities held for sale at the request of a donor.

- The Chief Financial Officer coordinates acceptance of all gifts of non-marketable or closely-held securities and should be notified prior to the acceptance of any such gifts.

- The value of these securities will be determined based on the fair market value of the securities on the date of gift, using an appraisal or alternative method of valuation acceptable to the Chief Financial Officer and the Senior Vice President for Development.

Real estate

- NPCA may accept gifts of many types of real estate, such as residential, commercial, apartment buildings, vacation properties and undeveloped land.

- The Gift Acceptance Committee must approve all gifts of real estate and has specific due diligence review requirements that must be followed prior to the acceptance of any gift.

- Gifts of real estate which are subject to mortgages are rarely acceptable, as they may result in financial liability for NPCA and can cause adverse tax consequences for the donor(s). All such gifts require prior approval of the Chief Financial Officer.
- The Gift Acceptance Committee must approve, in advance, the receipt of any real property where there are donor-imposed restrictions on the sale, or if it is not readily marketable.

The value of gifts of real estate will be determined based on either the fair market value of the real estate on the date of the gift or on a Broker's Value of Opinion. If the donor has obtained an appraisal that meets IRS tax deduction substantiation requirements, NPCA may use the appraisal for gift accounting purposes. If an appraisal is not available, an alternative method of valuation acceptable to the Office of Finance will be used. In most cases, a qualified appraisal must be acquired prior to accepting any real estate.

- Retained life estates—NPCA may accept a gift of a personal residence which is subject to a retained life estate. The Office of Planned Giving and the Office of Finance will coordinate the due diligence review process on these gifts. It is required that the donor assume responsibility for ongoing property taxes, insurance and maintenance for the duration of the life estate. Retained life estates will be counted and donors credited with the appraised market value of the property on the date of the gift. Gift receipts will be issued in accordance with Internal Revenue Service (IRS) guidelines.

Gifts of tangible personal property which are to be sold

- The minimum value for a gift of tangible personal property to be sold is $10,000, net of expenses and commissions.
- The Gift Acceptance Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?
- Gifts of tangible personal property include: automobiles, boats, art, jewelry, furniture, etc.
- The Office of Planned Giving and the Office of Finance are responsible for conducting due diligence review on all gifts of tangible personal property. These offices also manage the sale of such assets.

Gifts of tangible personal property which are to be kept and used by NPCA

NPCA may receive gifts of tangible personal property that it plans to keep and use in furtherance of its mission. Examples include artwork, computer hardware, equipment, etc. Note that software licenses are not considered to be bookable gifts because NPCA does not "own" those licenses.

The Gift Acceptance Committee may authorize acceptance of tangible personal property to be kept and used after taking into consideration the following factors:

1. Whether the property furthers the mission of NPCA;

2. Carrying costs and potential liability;
3. Costs relating to long-term storage;
4. Any donor-imposed restrictions on the use, display or sale of the property;
5. Costs relating to transportation and/or installation; and
6. Whether the title/provenance of the property is clear.

Information about any gift of tangible personal property should be forwarded to Development Operations, which will credit the donors and share with Donor Relations who will prepare an appropriate gift receipt.

Charitable gift annuities

- NPCA is registered in 47 states to offer charitable gift annuities. The minimum amount to establish a new gift annuity is $10,000.
- The Office of Planned Giving oversees NPCA's gift annuity program and is responsible for the issuance of all new gift annuities.
- Gift annuities will be counted and donors credited with the face value of the annuity on the date of the gift. Gift receipts will be issued in accordance with IRS guidelines.
- In limited cases NPCA may accept real estate, tangible personal property, or other illiquid assets in exchange for charitable gift annuities, subject to appropriate due diligence review and approval by the Gift Acceptance Committee.

Charitable remainder trusts

- NPCA may accept gifts of a remainder interest in charitable remainder trusts. The Office of Planned Giving is responsible for due diligence review with respect to all charitable remainder trust gifts.
- NPCA may serve as trustee of a charitable remainder trust, provided it is named irrevocably as a beneficiary of at least 51% of the remainder, and that the minimum value of the trust is $250,000.
- Gifts to fund charitable remainder trusts will be counted and donors credited with the face value of the trust on the date of the gift. Gift receipts will be issued in accordance with IRS guidelines.

Charitable lead trusts

- NPCA may accept designation as the beneficiary of a charitable lead trust. The Office of Planned Giving is responsible for due diligence review with respect to all charitable lead trust gifts.
- Due to the potential for liability, NPCA may accept an appointment as trustee of a charitable lead trust only upon review of all relevant circumstances and approval by the Chief Financial Officer.

Life insurance

- NPCA may accept a designation as beneficiary or owner of a life insurance policy. The Office of Planned Giving is responsible for due diligence review prior to acceptance with respect to all new life insurance policies where NPCA may be an owner or have other responsibilities.

- NPCA will not accept policies where NPCA is obligated to make any future premium payments unless the donor commits to making annual gifts to cover such payments and/or understands that NPCA may unilaterally exercise its right to surrender the policy for its cash surrender value.
- Life insurance policies will be booked for gift and campaign counting purposes and donors will receive gift receipts in accordance with IRS guidelines.

Revocable bequest intentions
NPCA welcomes notification by donors that they have included NPCA in their wills or estate plans, records this information in the Development database, and honors their generous intentions with an invitation to membership in the Mather Legacy Society. However, NPCA does not book or count revocable future gifts or bequests, and per IRS regulations, NPCA does not provide any gift receipt to donors until the gifts are realized.

Irrevocable bequest intentions (also known as "life pledges")
NPCA may recognize and count irrevocable pledges where donors have included NPCA in their estate plans, provided that such donors (1) are age 70 or older at the time of the gift, (2) sign a written pledge agreement that makes their commitment legally binding and irrevocable, and (3) own sufficient assets to satisfy the amount committed, as best as NPCA can ascertain. These gifts will be entered into gift accounting records as a pledge. Although NPCA may provide an acknowledgement of the pledge for recognition purposes, per IRS regulations NPCA will not provide any gift receipt to such donors until the pledge is satisfied.

Gifts-In-Kind

- All gifts-in-kind except for marketable securities require a Receipt of Gift form. Gifts-in-kind with a value less than $5,000 shall be recorded in NPCA's financial records at the donor's estimated value or at fair market value if independent verification of that value of the gift is provided. Independent verification may include written qualified independent appraisal of the donated property in accordance with IRS regulations, a vendor's invoice indicating the item's cost to the vendor in order to substantiate the fair market value of goods donated, or the donor's cost basis in the donated good.

- Gifts-in-kind with a value exceeding $5,000 shall be recorded in NPCA's financial records at the appraised value. The donor should provide a copy of the qualified written appraisal of the donated property to the Gift Acceptance Committee in accordance with IRS regulations in order to substantiate the fair market value of the goods donated.

- Gifts-in-kind of services, while considered helpful to the mission of NPCA, are not considered charitable gifts by the IRS and cannot be recorded or receipted for tax purposes. However, gifts-in-kind of services, such as pro bono legal counsel, shall be recorded in NPCA's GAAP financial statements at the estimated donor's value. The Office of Finance is responsible for the accounting of gifts-in-kind of services.

- Gifts in Lieu of Reimbursement are accepted, and an NPCA volunteer may choose to submit for reimbursement those expenses NPCA would have otherwise expended. The volunteer may then choose to give an equal amount to the NPCA in a separate transaction.

- Upon request, and at its discretion, NPCA will provide a letter acknowledging accepted gifts-in-kind, but with no dollar amount specified, which donors may use to substantiate their donation.

Donors' estate administration; drafting of wills; providing bequest language; planned giving forms

- Neither NPCA nor any of its employees acting on behalf of NPCA may agree to act as the successor trustee of a living trust or the executor of any will in which NPCA is named as a beneficiary, without the approval of the President & CEO.
- NPCA employees acting on behalf of NPCA shall not draft wills or living trusts naming NPCA as a beneficiary, regardless of whether such employee is licensed to practice law. (This provision does not apply to employees drafting their own will or wills for family members, naming NPCA as a beneficiary.)
- NPCA employees may provide donors with suggested bequest language or assistance with other language pertaining to gift designation within NPCA. Suggested bequest language is readily available on the NPCA Office of Planned Giving website or from any NPCA Planned Giving Staff. This assistance can be particularly useful when helping donors fill out successor beneficiary designations for retirement plan assets, annuities and life insurance policies naming NPCA as a beneficiary. The Office of Planned Giving should be consulted in these circumstances.
- The Office of Planned Giving may provide donors and their counsel with approved form documents for planned gifts such as charitable remainder trusts, charitable lead trusts and life estates.
- All matured testamentary gifts (trusts and estates) are administered through the Office of Planned Giving. All trustees, executors, and other administrators of estates and trusts that provide for a gift to NPCA are to be directed to the Office of Planned Giving.

Providing legal or financial advice

No employee of NPCA shall provide any legal advice or financial planning services for any donor. Prospective donors should be encouraged to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Further, to avoid conflicts of interest or the appearance of improper influence, NPCA shall not pay legal or other fees for the preparation of a donor's will or living trust which names NPCA as a beneficiary.

Qualification and registration

NPCA qualifies under both federal and state law as a tax-exempt public charity to which charitable contributions are deductible to the full extent of the law for income, gift, and estate tax purposes. NPCA's federal tax identification number is 53-0225165.