

Washington Women's Foundation Gift Acceptance Policy

Purpose

Washington Women's Foundation encourages the solicitation and acceptance of gifts for purposes that are consistent with the Foundation's mission. The Board of Directors and staff of the Foundation solicit current and deferred gifts from individuals, corporations and foundations to help the Foundation fulfill its mission. The following policies and guidelines govern the solicitation, acceptance and acknowledgment of gifts made to the Foundation and provide guidance to prospective donors and their advisors. The purpose of the Foundation's Gift Acceptance Policy is to ensure that these activities are conducted in a way that is fiscally prudent, consistently managed, and legally compliant

The Gift Acceptance Committee

The Foundation's Gift Acceptance Committee is an ad hoc committee, which is charged with the responsibility of reviewing gifts made to the Foundation, properly screening and accepting those gifts, and making recommendations to the Board of Directors concerning gifts when necessary in accordance with this policy. The Gift Acceptance Committee shall include the President, the Treasurer, the Chair of the Resource Development Committee and one additional member of the Foundation, as appointed by the President.

Conflict of Interest

It is the donor's responsibility to obtain any necessary appraisals, file appropriate personal tax returns, and defend against any challenges to claims for tax benefits. The Foundation shall encourage the donor to discuss the proposed gift with the legal and/or tax advisors of the donor's choice, at the donor's expense. This practice is to ensure that the donor receives a full, accurate, and independent explanation of all aspects of the proposed charitable gift. The Foundation will not provide tax or legal advice to any donor nor will the Foundation establish or corroborate the value of any property for the purpose of substantiating the donor's income tax charitable deduction. The Foundation will not pay for legal assistance, appraisals or other services on behalf of the donor. The Foundation will assure itself that personnel are circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing.

Right to Decline Gifts

The Foundation reserves the right to decline or refuse any gift. In addition to and without limiting the generality of the foregoing, the following gifts will not be accepted by the Foundation:

- A. Gifts that violate any federal, state, or local statute or ordinance;
- B. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of a partial interest in property other than a remainder interest in real property;
- C. Gifts that are made with the condition that the proceeds will be spent by the Foundation for the personal benefit of a named individual;
- D. Gifts that could expose the Foundation to liability;
- E. Gifts of oil, gas and mineral interests;

- F. Gifts in the form of a bargain sale;
- G. Gifts of automobiles or boats;
- H. Gifts of mortgages, royalties, copyrights, easements or time shares;
- I. Charitable gift annuities; and
- J. Gifts that are too restrictive in purpose. Gifts that are “too restrictive in purpose” include gifts that violate the terms of the Foundation’s governing documents, gifts that may be too difficult or costly to administer, and gifts that are for purposes that are inconsistent with or outside the scope of the mission of the Foundation.

The President of the Foundation shall have the independent authority to decline any of the foregoing types of proposed gifts. In addition, if the President has concerns that a potential gift (whether individual, foundation or corporate), formal partnership, third-party benefit or fundraising (or “friend-raising”) relationship may not fit the mission of the Foundation, may not represent strong evidence of charitable intent for the benefit of the Foundation, does not allow the Foundation to maintain an acceptable level of control of terms and conditions, or presents the potential for controversy, then such concerns shall be reviewed by the Gift Acceptance Committee, and the Gift Acceptance Committee shall determine whether or not the proposed gift should be accepted or the relationship created. In conducting its review, the Gift Acceptance Committee shall use the Fundraising Principles set forth in Exhibit A attached hereto.

Types of Gifts and Criteria for Acceptance

The President may accept on behalf of the Foundation Routine Gifts in any amount. “Routine Gifts” are defined as outright gifts or bequests to the Foundation’s Annual Fund, outright gifts or bequests to the Colleen S. Willoughby Endowment, outright gifts and bequests to any grant fund of the Foundation, corporate and foundation sponsorships, and any unrestricted gifts in any of the following forms: (1) cash; (2) publicly-traded, marketable stocks, mutual funds and bonds; and (3) designation of the Foundation as a beneficiary on a life insurance policy or retirement account. As a general rule, gifts of publicly-traded, marketable securities will be sold by the Foundation upon receipt unless otherwise directed by the Finance Committee. Gifts of publicly-traded, marketable securities will be credited (in conformity with IRS guidelines) as the mean value between the “high” and “low” market prices on the date of the gift. If the security was not traded on its exchange on that date, the date of the most recent prior sale will be used.

The Gift Acceptance Committee shall review any other type of gift that is not a Routine Gift as defined above and shall make the determination whether or not to accept such gift. In conducting its review, addition to the Principles outlined in Exhibit A and the amount of value being ultimately transferred to the Foundation, the Gift Acceptance Committee shall take into consideration the following gift-specific factors:

- A. Gifts of Tangible Personal Property: The Gift Acceptance Committee should determine whether holding the tangible personal property fulfills the mission of the Foundation; whether the property is marketable; whether there are any restrictions on the use, display or sale of the property; and whether there are carrying costs associated with the property.
- B. Gifts of Closely-Held Securities: Closely-held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in

- partnerships, limited partnerships, limited liability limited partnerships and limited liability companies, shall be sold by the Foundation as quickly as possible; therefore, the Gift Acceptance Committee should determine whether there are any restrictions on the securities that would prevent the Foundation from ultimately converting those interests to cash; whether the security is marketable; and whether ownership of the security would generate any undesirable consequences - tax or otherwise – to the Foundation. If potential problems arise on an initial review of the security, further review and recommendation by legal counsel or any outside professional may be sought before the Gift Acceptance Committee makes a final decision.
- C. Real Estate: Gifts of real estate include developed property, undeveloped property and property subject to a prior life estate. Prior to acceptance, the Foundation shall require an initial environmental review of the property, and if necessary, an environmental audit. When appropriate, a title binder shall be obtained for the benefit of the Foundation. The costs of the review, audit and title binder shall generally be an expense of the donor. Prior to acceptance, the gift shall be reviewed by the Gift Acceptance Committee and the Foundation's legal counsel considering whether the property is useful for the purposes of the Foundation; whether the property is marketable; whether there are restrictions, reservations, easements, or other limitations associated with the property; whether there are carrying costs (which may include insurance, property taxes, mortgages or notes) associated with the property; and the results of the environment audit.
- D. Remainder Interests in Real Estate: The Foundation will accept a remainder interest in a personal residence, farm or vacation property subject to the provisions of paragraph C above. The donor may continue to occupy the property for the duration of the stated life. At the death of the donor, the Foundation will sell the property as soon as possible. When the Foundation receives a gift of a remainder interest, expenses for the maintenance, real estate taxes and any property indebtedness shall be the responsibility of the donor until the donor's death.
- E. Life Insurance: Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance, although the designation shall not be recorded as a gift until such time as it is irrevocable. If the gift is irrevocable but is not payable until a future date, then the present value of the gift shall be recorded at the time it becomes irrevocable. If the Foundation is named as both the irrevocable owner and beneficiary of a life insurance policy, then the policy can be recorded as a gift, and the gift will be valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. It is the donor's responsibility to have an insurance agent perform an appraisal annually. If the donor also contributes future premium payment(s), the Foundation will include the entire amount of the future premium payment(s) as a gift in the year that is it made. If the donor does not elect to continue to make gifts to cover future premium payment(s) on the life insurance policy, the Foundation may continue to pay the premiums, convert the policy to paid up insurance or surrender the policy for its current cash value.
- F. Charitable Remainder Trusts: The Gift Acceptance Committee may accept the designation of the Foundation as remainder beneficiary of a charitable remainder trust. The Foundation will not accept appointment as a Trustee of a charitable remainder trust.
- G. Charitable Lead Trust: The Gift Acceptance Committee may accept the designation of the Foundation as income beneficiary of a charitable lead trust. The Foundation will not accept appointment as a Trustee of a charitable lead trust.

- H. Retirement Plans: Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans, although a designation shall not be recorded as a gift until such time as it is irrevocable. If the gift is irrevocable but is not payable until a future date, then the present value of the gift shall be recorded at the time it becomes irrevocable.
- I. Bequests: Donors and supporters of the Foundation will be encouraged to make bequests to the Foundation under their wills and trusts although a bequest shall not be recorded as a gift until such time as it is irrevocable. If the bequest is irrevocable but not payable until a future date, then the present value of the bequest shall be recorded at the time it becomes irrevocable. The Foundation shall not accept an appointment as the executor or personal representative of an estate or as trustee of any trust.
- J. Gifts of Service: Gifts of necessary professional services will be accepted with an assigned dollar value, at market rate, determined by the donor.

Gift Designations

The Foundation will record each gift according to the designation indicated by the donor. If a specific designation is made by the donor and cannot be followed by the Foundation, then the gift will not be accepted. To designate a gift to a specific program or fund of the Foundation, a donor must submit written notification of the designation to the Foundation. All undesignated, unrestricted gifts of less than \$10,000 shall be added to the Foundation's Annual Fund immediately upon receipt. All undesignated, unrestricted gifts of \$10,000 or more may be added to the Foundation's Quasi Endowment by act of the Foundation's Board of Directors.

Endowment Gifts

Endowment gifts contribute to the long-term financial health of the Foundation and are encouraged and appreciated. Gifts to the endowment are held in perpetuity, subject to the policies adopted from time to time by the Foundation's Board of Directors of Washington. Any endowment funds may be augmented by gifts from other individuals with similar interests once it is established.

- A. Gifts to Colleen S. Willoughby Endowment: Gifts made to the Colleen S. Willoughby Endowment will be subject to review by the Resource Development Committee if such gifts would otherwise be subject to review prior to acceptance in accordance with these policies.
- B. Gifts to Establish New Named Endowments: If a donor wishes to create and name a new endowment fund, the following conditions apply:
 - a. The Foundation's Gift Acceptance Committee and the Board of Directors must approve all restrictions on how gifts may be used.
 - b. All restrictions must be consistent with the mission of Washington Women's Foundation.
 - c. All gifts received for restricted purposes will be accepted only on the condition that should the purpose for which the funds are provided cease to exist, the Foundation may re-designate the purpose of the fund, and the distributions therefrom, or release such restriction, provided that the fund shall continue to bear the name of the donor and that the amended use shall adhere as closely as possible to the donor's original intent.

- d. An Endowed Fund Agreement must be executed by the Foundation and the donor or the donor's legal representative prior to the establishment of a new endowment fund.
- e. The minimum gift required to establish a new named endowment fund is \$250,000, provided, however, that if the donor also wishes to restrict the purposes for which the gifted funds may be used, the minimum gift required shall be established by the Foundation's Board of Directors upon recommendation of the Gift Acceptance Committee. The minimum funding requirements for the fund will be determined by the Endowed Fund Agreement. If the minimum funding requirement for the fund is not met by the date specified in the Endowed Fund Agreement, all gifts received for the fund shall be reallocated to the Colleen S. Willoughby Endowment.

Matching Gifts

The Foundation encourages and appreciates matching gifts. If the Foundation has reason to believe that a donor is not acting in compliance with the matching gift policy of an organization or corporation, Foundation staff will contact the donor for clarification. Cash gifts received from organizations or corporations to match gifts or volunteer time will be credited to the organization or corporation, with soft credit to the individual donor's record.

If a member wishes to use matching gifts to fund a portion of her \$2,500 annual membership contribution, then she will be assigned to the spring annual renewal cycle. In accordance with the Foundation's membership policy, each member's \$2,500 annual membership contribution to the Foundation is allocated as follows and in the following order of priority: (1) the first \$1,000 to the pooled fund grant pool; (2) the next \$500 to the Foundation's operations; and (3) the final \$1,000 to a fund from which the Foundation's Board of Directors may make grants to individual not-for-profit organization(s), based on recommendations by the member.. To the extent that a member's personal annual contribution is less than \$2,500, then unless explicitly prohibited by the matching organization or corporation, any matching gifts received as a result of a member's annual contribution will be allocated in the same way in the same order of priority. If after the allocation of matching gift funds the total amount credited to the member in a calendar year is less than \$2,500, the member shall be asked to contribute the balance before January 31 of the following year and may be moved to the spring renewal cycle. If after the allocation of matching funds the total amount credited to the member in that calendar year is more than \$2,500, then the balance shall be allocated to the Foundation's Annual Fund.

If a member makes an annual contribution of \$2,500 personally, then unless explicitly prohibited by the matching organization or corporation, any matching gift funds received by the Foundation as a result of the member's contribution may either be credited to the member's annual membership contribution for one or more following years or may be allocated to the Foundation's Annual Fund as determined by the Foundation's Board of Directors based upon the recommendation of the member.

Funds received by the Foundation due to a member's contribution of time as a volunteer shall be allocated to the Foundation's Annual Fund.

Use of Legal Counsel

The Foundation will seek the advice of legal counsel as specifically noted hereinabove and otherwise, when appropriate in matters relating to the acceptance of gifts. Review by counsel is recommended for the following types of gifts:

- A. Certain gifts, such as closely held stock or closely held stock subject to buy-sell agreements or other restrictions.
- B. All transactions governed by contracts or other legal documents, including, but not limited to, gifts of real estate, bargain sales, and trust agreements naming the Foundation as trustee.
- C. All transactions with potential conflicts of interest, which may include, although not be limited to, the use of Board members as sales agents in transactions.
- D. Other circumstances in which the Gift Acceptance Committee determines that use of counsel is appropriate.

Gift Acknowledgment

Gift acknowledgement and processing will be managed by the Foundation's President and staff according to established procedures to promote donor recognition and appreciation, fiscal prudence and compliance with applicable laws and rules. The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of the gift. The Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset.

Policy and Procedures Review

This policy will be reviewed periodically by the Governance, Finance & Audit, and Resource Development Committees, and any changes submitted by the Governance Committee to the Board of Directors for their approval. The Resource Development Committee will consult with the Foundation's legal and tax advisors, as necessary, to ensure that the Foundation's Gift Acceptance Policy is in compliance with all applicable laws and regulations.

**Washington Women's Foundation
Gift Acceptance Policy
Exhibit A – Fundraising Principles**

In completing its review of a proposed charitable gift, formal partnership, third-party benefit, or fundraising (or “friend-raising”) relationship (hereinafter “Gift/Partnership”), the Resource Development Committee shall consider the following guiding principles:

- What are the concerns?
 - Are the concerns significant?
 - Who is raising the concerns or who might find this Gift/Partnership concerning?
 - Do the concerns relate to our mission, to our membership or to our grantees?
- What is the current nature of the relationship between the Foundation and the other party to the Gift/Partnership?
 - If there is an existing relationship, then would declining the Gift/Partnership damage the relationship?
 - Did the Foundation solicit the Gift/Partnership or did the other party approach the Foundation?
- Could the Gift/Partnership damage or jeopardize the reputation/brand of the Foundation?
 - Is the party's mission aligned with the Foundation's mission?
 - What is the Foundation's capacity to withstand or respond to potential negative publicity?
- Will the reputation of the other party to the Gift/Partnership be disproportionately enhanced by the Gift/Partnership and/or affiliation with the Foundation?
- Does this Gift/Partnership represent any other potential risk(s) to the Foundation?
- Would accepting this Gift/Partnership set any precedent and if so, what is the potential future impact on the Foundation?
- What are the compelling reasons for accepting this Gift/Partnership?
 - The Foundation's financial need.
 - The size of the gift.
 - The importance of creating or maintaining a strong relationship with the other party.
 - Other positive benefits to be gained.