

ROWLAND HALL

Gift Acceptance and Management
Policies and Procedures



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September 2, 2016

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INTRODUCTION

Rowland Hall is an independent 2Pre-K through 12 coeducational day school located in Salt Lake City, Utah. Our mission is to inspire students to lead ethical and productive lives through a college preparatory program that promotes the pursuit of academic and personal excellence. In accordance with our mission, all fundraising goals and policies at Rowland Hall originate with and are approved by the school's Board of Trustees and Head of School. These policies are based upon NAIS best practices and the goals reflect the most important immediate and long-term needs of the school.

Rowland Hall's fundraising policies are based upon two sets of standards:

1. The School's own fundraising standards, which:
 - a. Ensure that gifts will be handled professionally, acknowledge promptly, and used as the donor requests;
 - b. Are utilized to educate the staff and volunteer solicitors;
 - c. Preclude one-by-one ad hoc decisions about the acceptability of unusual outright or planned gifts; and
 - d. Make it clear who has the final word about gift acceptability and what standards that person or committee will apply.

2. The NAIS (national Association of Independent Schools) Principles of Good Practice for Member Schools regarding fundraising, as follows:

“The advancement program of the school should exemplify the best qualities of the institution and reflect the highest standards of personal and professional conduct. The following principles of good practice are addressed to those involved in the school’s advancement operation –trustees, school head, development and alumnae/i officers and staff, volunteers, consultants, and business officers.

- a. The school establishes a well-constructed development plan to guide its fundraising activities.
- b. The school is mindful and respectful of the cultural and economic diversity of constituent supporters.
- c. The school accepts only gifts that support its mission, character, integrity and independence.
- d. The school understands that accepting a gift is accepting the obligation to honor the donor’s intent.
- e. The school initiates stewardship, as well as nurtures, appreciates and sustains an ongoing healthy and effective relationship with its constituents.
- f. The school clearly articulates roles and responsibilities for volunteers.
- g. The school safeguards its constituents’ privacy and all confidential information.
- h. The school encourages donors to consult with their own professional tax advisors when making charitable gifts.
- i. The school complies with all provisions of the U.S. Tax Code that affect charitable giving.
- j. The school discloses to its constituents gifts received through philanthropy.”

CONFIDENTIALITY AND PRIVACY POLICIES

We assume that in the course of discussing major gift prospects for Rowland Hall, fundraising committee members, trustees, employees, and fundraising consultants will upon occasion, discuss information of a personal and financial nature concerning donor prospects. The following policies are established to affirm Rowland Hall’s commitment to protect the

privacy, dignity, and trust of its benefactors, friends, and prospective donors. All fundraising staff at Rowland Hall agree to follow these policies.

These policies are intended to further the mission of Rowland Hall and to protect and respect the rights of donors and the school.

1. All fundraising-related discussions concerning major gift donor prospects are strictly confidential.
2. All information concerning financial capability, past giving patterns, specific gifts, and personal disclosures about giving interest, is confidential.
3. Permission to publicly recognize a donor and his/her gift is assumed, unless otherwise requested by the donor. This should be clearly understood with the donor.
4. Policies regarding anonymity and the reporting of gifts are outlined specifically under gift acceptance policies and are specific to the type of gift made.

Rowland Hall places the highest priority on protecting the privacy of its donor information. Rowland Hall does not sell, rent, loan, or trade a donor's personal or biographical information to any other entity. All copies of documents with this information are strictly controlled and accounted for to avoid their inadvertent distribution.

GIFT ACCEPTANCE POLICIES

DEFINITION OF GIFTS

1. **Gift.** Under the the Financial Accounting Standards Board (FASB) regulations of December 1994, a gift is an unconditional, voluntary, non-reciprocal transfer of assets. Gifts come in different forms: cash, pledges, securities, real property, and personal property.
2. **Pledge.** A pledge is a written commitment to make a gift. Pledges are not deductible from a donor's taxable income. Pledges are recorded, in total, in the school's books the year they are made.
3. **Gifts of Securities.** Securities include publicly traded stock, closely held stock, bonds, and other financial instruments. Gifts of securities are sold immediately to ensure that the gift's full value is available for the purpose intended by the donor unless otherwise directed by the donor. Closely held securities are sold as soon as possible.
4. **Gifts of Real Property.** Gifts of real property most often consist of real estate. They may include a primary residence, vacation home, farm, ranch, commercial building,

subdivision lots, and undeveloped land. The gift can be made three ways; a) outright, b) as a bargain sale, or, c) as an undivided partial interest. Gifts of real property will be accepted and sold based on the recommendation of the donor and Finance Committee.

5. **Unrestricted Gifts.** An unrestricted annual gift is expended for current operations within a particular academic year. An unrestricted capital campaign gift may be used when and as the school wishes in order to achieve campaign goals.
6. **Restricted Gifts.** Restricted gifts, whose purpose is designated by the donor, will be accepted provided that the restriction is within the school's mission, goals, and priorities. In that case, the gifts are tracked separately, by both the Development Office and the Business Office, for accounting purposes, and used only for the designated purpose. Restricted gifts should be clearly documented.
7. **Conditional Gifts.** If the gift is revocable (as in the case of a will, a revocable trust, or an insurance policy in which the donor can change the beneficiary at a future date), the school will not record the gift on its books until the gift is received. If the gift is dependent upon an uncertain future event (as in the case of a challenge that requires matching funds), the school will not record the gift on its books until the precondition has been satisfied.
8. **Memorial or Tribute Gifts.** The school is happy to accept gifts in memory or in honor of an individual or family and will notify the individual or family member honored or remembered.
9. **Gifts of Personal Property.** Acceptable gifts of personal property (sometimes referred to as gifts-in-kind) should be in good condition and either useful to the school in its educational program or readily saleable. It is the responsibility of the donor to place a value on the gift for tax purposes. Gifts of personal property will be evaluated by the finance committee for their potential usefulness to the school and/or the timing of the sale. (See Appendix for detail.)

10. **Gifts of Service.** Gifts of service are contributions of actual billable service directly related to the business or profession of the provider. Gifts of service are acknowledged at the level of actual expenses invoiced but not to be paid. Evidence of a gift of service is shown by a voided or cancelled invoice stating the date, type of service rendered, quantity cost, total cost and amount to be contributed or forgiven.

MANAGEMENT OF GIFTS

1. **Receipt and Acknowledgement of Gifts.** All donors will be thanked promptly for their support. Donors will be thanked in writing within three business days, with exceptions if the school is closed for a break. Every letter of thanks will contain appropriate tax language indicating that no services were provided in exchange for their charitable gift. Capital campaign gifts will be acknowledged based on guidelines for each campaign, decided in advance by the Director of Institutional Advancement and the Campaign Steering Committee and approved by the Board of Trustees.
2. **Handling of Non-Cash Gifts.** Unless otherwise requested by the donor and approved by the school, all marketable securities will be sold upon receipt. Saleable gifts of real or personal property (sometimes referred to as gifts-in-kind) not used by the school will be sold as soon as practicable.
3. **Handling of Pledges.** A pledge will be considered a gift to the school only if it is documented in writing with a signature, a specific dollar amount, and a fixed payment schedule. Rowland Hall will not provide the donor with an income tax deduction acknowledgment until the year in which the pledge is paid.
4. **Stewardship of Gifts.** The school will use gifts as donors request and will notify donors if its ability to continue to honor donor wishes should change at a future date.

ENDOWMENT POLICIES

1. **Endowment Contract.** For all endowment funds established in perpetuity, both the donor and the school will sign an agreement. Such an agreement will include: the name of the donor(s), the initial amount given or pledged, the purpose of the fund,

the use of the fund, the permitted use of income and/or principal, the understanding that the fund's principal can be commingled with other endowment for investment purposes, and the understanding that future Boards will have the discretion to allocate funds to another closely-related purpose should the particular purpose for which the funds were originally designated no longer be acceptable or feasible.

2. **Named Endowment Funds.** The school will maintain a list of named endowment fund opportunities and the gift levels required to establish each. The list will be updated as needed and will be reviewed by the Development and Business Offices and Finance Committee as necessary. Donors may arrange to pay their endowment pledge in installments. In general, a named endowment fund will be established with the commitments totaling \$50,000 or more. Smaller gifts to endowment will be welcomed and will be directed, in accordance with the donor's wishes, to a specific appropriate endowment pool, such as for faculty salaries or financial aid, rather than be separately maintained.
3. **Endowment Pools.** Endowment gifts that are restricted to specific appropriate purposes, such as student financial aid, campus maintenance, or professional development, and that fall below the minimum level for a segregated fund, will be added to endowment pools maintained for those purposes. Such gifts will be recognized in the year received, but will not be held in separate accounts, nor be named.

GENERAL GIFT ACCEPTANCE POLICIES

1. Payment of donor commitments to Rowland Hall may take the form of one or a combination of the following: cash, marketable securities, or real property that can be converted to cash within a reasonable time period of one to three years consistent with the intent of the donor.
2. Donor gift commitments are recognized in a manner consistent with the donor's wishes and the guidelines approved by the Board of Trustees. Recognition of gifts inspires other gifts; however, requests by donors for anonymity are honored.

Permission to publicly recognize a donor and his/her gift is assumed unless otherwise requested.

3. The school does not accept gifts when it is determined there is no charitable intent on the part of the donor, nor does it accept gifts that are contingent on the employment of specific individuals.
4. Rowland Hall reserves the right to decline any gift.

PLEDGES

1. The letter of intent or a written record of a verbal pledge must be in the possession of the school before a pledge is recorded. The Development Office staff does not record undocumented verbal pledges.
2. The normal pledge payment period for gifts is one to five years. The Director of Institutional Advancement in consultation with the Development Committee may grant pledge payment exceptions on an individual basis.

GIFTS OF REAL AND PERSONAL PROPERTY

1. In order for property gifts to be recognized, complete transfer of ownership must have occurred.
2. The school converts all gifts to cash at the earliest opportunity. Generally, property gifts are not to be accepted by Rowland Hall where conversion to cash is not likely within one to three years.
3. The donor must accept the obligation for payment of all associated expenses of property gifts, including legal, accounting, environmental testing, title insurance, and appraisal fees, in a manner to be mutually agreed upon by the school and the donor.
4. All gifts are subject to environmental evaluation prior to acceptance by Rowland Hall in a manner agreed upon by the school prior to acceptance.

5. All gifts received by the school are duly reported to the IRS as may be required.
6. Gifts of real property may be reviewed in advance by the Finance Committee, who may require additional conditions to a transfer, such as a policy of title insurance to be furnished by the donor in a form acceptable to the Committee.
7. Upon written request by the donor of securities and the approval of the Chair of the Board of Trustees, the Chair of the Finance Committee, and the Head of School, Rowland Hall may, in its sole discretion, agree to hold the securities for a designated period of time. In this case, Rowland Hall assumes all risks concerning potential benefit or loss due to changing securities values.
8. The Finance Committee is empowered to grant an exception to these general policies to encourage significant gifts or improve donor relationships.

PLANNED GIFTS

Rowland Hall welcomes gifts of life insurance, annuities, estates, and charitable remainder trusts, although the school is unable to accept responsibilities for managing those gifts such as paying premiums and monitoring investments.

Rowland Hall accepts and acknowledges planned gifts according to the following policies.

1. When the school is listed as a beneficiary, in any form, of any planned gift, we will acknowledge the donor as a member of the *Legacy Society*. No value will be recorded or acknowledged until the school receives actual payment at the death of the donor.
2. Rowland Hall will not, in general, act as trustee or co-trustee of charitable remainder trusts. In the event that the school must act as a trustee, the Head of School will appoint a member of the board or a third-party to serve as trustee for the management of a planned gift.
3. The acceptance of planned gifts shall be the responsibility of the Director of Institutional Advancement and Finance Committee. All solicitors who discuss

planned gifts with potential donors shall be encouraged to consult with the Director of Institutional Advancement in order to ensure that the gift is acceptable and desirable.

4. All donors who advise the school of a planned gift intention will be thanked promptly.
5. Realized bequests will be spent as designated by the donor. The Board of Trustees may direct the use of any undesignated realized bequests. During a capital campaign, undesignated realized bequests may be directed toward campaign objectives. At other times, undesignated realized bequests may be added to the general endowment.
6. Crediting and guidelines for irrevocable bequests- Gifts in the form of irrevocable bequests from donors who are at least 70 years of age and provide supporting documentation will be credited at the full value of their bequest provisions.

ACCEPTANCE OF RESTRICTED GIFTS

1. Restricted Gifts are defined and classified based on the existence of donor-imposed restrictions, as follows:
 - a. Temporarily Restricted Gifts include contributions restricted by the donor for the specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted assets are expended or “released” to unrestricted assets.
 - b. Permanently Restricted Gifts include contributions that donors have restricted in perpetuity. Earnings may be expended to support school programs but the gift’s corpus remains with the endowment in perpetuity unless otherwise permitted by the donor.
2. Rowland Hall requires that the Director of Institutional Advancement, CFO, or others as appointed by the Head of School, approve all restricted gifts to ensure gift acceptance policies are strictly adhered to. As a general guideline, restricted gifts will be evaluated on the following criteria:
 - a. The gift must clearly support the mission of the school.

- b. Restricted gifts should support Rowland Hall Board approved budgets and fundraising goals and not create unfunded future liabilities.
 - c. Restricted gifts should not create an unhealthy imbalance in funding for existing or proposed school programs supported by the operating budget.
3. The Head of School and the Director of Institutional Advancement are solely responsible for the approval and implementation of fundraising activities approved by the Rowland Hall Board of Trustees. All school employees, parents and other constituents must receive approval from the Head of School and/or the Director of Institutional Advancement for any fundraising activity conducted in the name of the school.

GIFT VALUATIONS FOR RECOGNITION

1. **Publically Traded Securities.** Gifts of securities are valued on the basis of the average market value of the securities on the date of the transfer.
2. **Privately Held Securities.** Gifts of closely held stock are valued based on a qualified independent appraisal at the time of transfer. Generally, gifts of privately held securities are accepted only when conversion into cash (within a three-year time frame is expected.)
3. **Real Property (Real Estate).** Gifts of real property are valued based on the appraised value as determined by a current appraisal furnished by a qualified independent appraiser, as required by and subject to any conditions that may be imposed by the school's Board of Trustees.
4. **Life Insurance.** Gifts of life insurance are valued, for recognition purposes, based on the surrender value as of the date of the transfer or for the amount of the actual payment received at the death of the donor.

APPRAISAL REQUIREMENTS

1. Gifts of real and personal property, other than publicly traded securities, must be accompanied by an appraisal if the estimated value exceeds \$5,000. A qualified independent appraiser must provide the appraisal. The actual cash received by the school determines the donor recognition level.
2. Donors of gifts of property must seek their own legal and tax counsel.
3. Donors of gifts of property do not receive an acknowledgement of the gift until the complete transfer has occurred. The acknowledgement will not include any reference to the value of the gift.
4. The donor assumes all costs associated with obtaining a qualified appraisal and all environmental and other inspections and reports.

RECOGNITION OF DONORS

1. **Annual Report.** An annual report containing the names of donors will be published each year and made available to the public upon request. If donors notify the school that they wish to have their names withheld from these reports, they will be listed as anonymous within the alphabet at “Anonymous,” with a number indicating the total of those wishing anonymity.
2. **Hallmarker.** Annual Fund donors who give \$1,500 - \$9,999 will be recognized as Hallmarker donors in the Annual Report. If a donor does not wish to be acknowledged in the Annual Report, that request will be honored.
3. **Headmaster’s Council.** Annual Fund donors who give more than \$10,000 will be recognized as Headmaster’s Council donors in the Annual Report. If a donor does not wish to be acknowledged in the Annual Report, that request will be honored.
4. **Entrepreneur’s Circle.** Donors who have signed contracts with the intent of a future gift of \$50,000 or more to the school will be recognized as members of the Entrepreneur’s Circle in the Annual Report. If a donor does not wish to be acknowledged in the Annual Report, that request will be honored.

5. **Legacy Society.** The Legacy Society recognizes donors who have named the school in their estate plan. With the donor's permission, the names of donors of bequest intentions will be listed in a separate section of the Annual Report.
6. **Named Gift Opportunities.** The school will maintain a list of named capital or endowment gift opportunities for interested donors even when a campaign is not in progress.
7. **Honorary Naming.** The school reserves the right to honor, through appropriate naming opportunities, any individual or family irrespective of the individual or family's giving record.

RESPONSIBILITIES OF DONORS

1. Information concerning gift planning is for illustrative purposes only. A letter of understanding from a donor regarding a gift may be required along with evidence of outside advice rendered before such a gift is accepted.
2. The Director of Institutional Advancement of Rowland Hall asks the school's legal counsel to review all potential or proposed planned gifts of real property. The donor may receive a letter from the Director of Institutional Advancement /Board of Trustees regarding restrictions and/or conditions to be placed upon the proposed gift by the donor, including declining certain portions of a planned gift.
3. Although representatives of Rowland Hall may provide appropriate assistance, the ultimate responsibility regarding valuations, tax deductibility, and/or such counsel as the donor may wish to secure is the sole responsibility of the donor. The donor may not rely on any such advice or assistance provided by representatives of or counsel to the school.
4. To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, or the dissemination of income or estate tax advice, all donors of

property gifts must indicate the professional advisors who are rendering an opinion on any proposed gift on the donor's behalf

APPENDIX

IN-KIND GIFTS PROCEEDUE FOR INPUTING AND TRACKING

An In-Kind Gift is a contribution that is in the form of tangible goods or services. (e.g. Donor X contributes 50 books).

General Information: Notice of an in-kind gift could come in many forms from many different sources including teachers, staff members, etc. Every In-Kind donation requires that we fill out a donation form to keep record of the gift and also to aid in the process of writing the acknowledgement letter to the donor. A copy of the acknowledgement letter and donation form as well as any correspondence regarding the gift will be uploaded and stored in the development office database.

From this point, procedure differs depending on the amount of the gift. See instructions below.

1. Gift Under \$5K
 - a. Acknowledge donor with a letter for tax purposes. Rowland Hall cannot acknowledge a dollar amount of the gift, but instead will recognize the gift itself (e.g. Thank you for your gift of 50 children's books.). It is the donor's responsibility to provide their accountant with receipts to acknowledge the amount of the gift.
2. Gifts Over \$5K

- a. Rowland Hall requires an independent appraisal of the gift's value. This is the donor's responsibility to provide.
- b. Gifts over \$5,000 will be evaluated by the Finance Committee to determine their potential usefulness to the school and to make sure they are in line with the school's mission. Gifts that do not meet the educational mission of the school will generally be converted to cash within a 90-day period

Follow-up with Donor: An acknowledgement letter thanking the donor is sent, but sometimes we can do more. Many times when a large In-Kind gift is given, RH will feature a story in publications, take photos, and in other ways communicate to the donor about how their gift is being used and enjoyed - anything to help the donor feel great about their gift.

*See attached Donation Form and examples of acknowledgement letters.

IN-KIND GIFT CONTRIBUTION FORM ROWLAND HALL – ST. MARK’S SCHOOL

A copy of this form must be submitted with each donation. Multiple items given together are considered a single donation. You must have initial approval by the Director of Institutional Advancement and CFO before proceeding with the donation. We require a copy of this completed form to accompany the gift and suggest you make a copy for your own records. If you have had the donation appraised, you must include a copy of that appraisal with this submission form.

Appraisal Made: _____

Not Appraised: _____

I understand that once a completed copy of this form is delivered to Rowland Hall along with the donation, the school becomes the sole owner of the donation and may add or dispose of the donation in the best interests of the school.

Name: _____

Address: _____

Telephone and/or E-mail: _____

Donation Information (number of items, brief description, or attach additional information):

Signature: _____

SAMPLE OF IN-KIND ACKNOWLEDGEMENT

September 16, 2016

Ms. Wilma Flintstone
291 Rocky Bottom Road
Salt Lake City, UT 84109]

Dear Wilma,

Thank you so much for your recent contribution to Rowland Hall. We received your in-kind gift of 20 moon rocks on September 1, 2016. Your gift will be much appreciated by the science teaching staff and students in our Lower School.

We truly appreciate your continued support. Thank you again.

Sincerely,

Robyn Payne

Director of Institutional Advancement