



Gift Acceptance Policy – Approved 8-22-12

Introduction

Carolina Farm Stewardship Association (CFSA) wishes to encourage giving to support its mission and vision and to be able to respond quickly to offers of gifts by prospective donors. This policy is intended to provide guidance for CFSA staff, donors, and volunteers in the acceptance of gifts. Some gift situations are complex, and decisions should be made only after careful consideration of a number of interrelated factors. Therefore, this policy requires, in some instances, that the CFSA Board of Directors make the final decision to accept or decline a gift.

The CFSA Board of Directors establishes the policies for gift acceptance. Gift arrangements which deviate from the policies set forth here must be referred to the CFSA Board of Directors for final approval prior to acceptance.

Responsibility to Donors

In all matters involving donors or prospective donors, the interest and concerns of the donor in relation to his/her personal financial position will take priority over their contributions to CFSA. Prospective donors are urged to seek the advice of their own tax advisors and counsel in matters relating to planned gifts, taxes, and estate planning. It is not the province of CFSA board or staff to interpret law or give legal advice to any donor. CFSA counsel may be called upon to review and comment upon documents drafted by counsel for the donor.

Board and staff of CFSA will subscribe to the Association of Fundraising Professional's Code of Ethics in dealing with prospective and current donors. Their task will be to inform, serve, or otherwise assist the donor in fulfilling his/her philanthropic wishes. CFSA staff will never pressure or unduly persuade any donor or prospective donor. In this regard no person acting for CFSA, whether as a volunteer, employee, or any other capacity, shall receive commissions or other remuneration as a result of obtaining a gift, or any financial reward calculated in relation to the value of the gift.

Information concerning all gifts shall be kept in confidence. Each donor's wishes will be respected in the acknowledgement and any public announcement of their gifts. In the case of a planned or deferred gift, no public announcements concerning a living donor will be released without consent of the donor.

I. Direct Gifts

A. Cash

1. Gifts in the form of cash, checks, debit cards and credit cards shall be accepted.
2. All checks must be made payable to CFSA or approved DBA (doing business as) and shall in no event be made payable to an employee, agent, or volunteer of the organization.

B. Publicly Traded Securities

1. CFSA shall accept securities, which are traded on the New York, NASDAQ, or Amex stock exchanges. It may be anticipated that CFSA will immediately sell such securities.
2. In the case of securities not commonly traded, the Executive Director will consult with legal counsel prior to acceptance of the gift to consider the disposition of, or income from, the securities.

C. Real Property

1. No gift of real estate shall be accepted without a recommendation from the Executive Director and approval of the Board of Directors.
2. No gift of real estate shall be accepted without the assessment of the Board of Directors. The assessment may include but not be limited to:
 - a. An environmental or engineering study or survey may be useful; a survey is required.
 - b. An inspection performed upon the property to ensure that CFSA will not have to undertake any expensive repairs.
 - c. A determination that the property has not been used in a manner that would cause embarrassment to CFSA.
 - d. The impact of accepting real estate encumbered by a mortgage.
 - e. The impact of accepting real estate carrying a conservation easement.
 - f. An accounting of the debt, insurance, homeowners' association fees, property taxes and other carrying costs that might affect the advisability of accepting the gift; appropriate steps will have been taken to determine if any other liabilities might attach to the property such as leases, contracts, or servitudes.

- g. The donor must be willing to bear the costs associated with the gift of real estate, such as legal fees, real estate commissions, management fees, and appraisals, or have these costs deducted from the sale of the property.
3. The Board of Directors shall not accept real estate to fund a charitable gift annuity without seeking a legal opinion as to the permissibility of this action under the laws of the state or states involved.
4. The Executive Director or Director of Development will attempt to meet with donors of real estate to assure the donor's needs will be met and the gift is appropriate to be considered in keeping with CFSA's values, mission and programs. Every attempt should be made to encourage the donor involved to conform his or her plans to CFSA policy.
5. With approval from the Board of Directors, accepted gifts of real estate may be sold and the proceeds used to advance the mission of CFSA, unless the donor has specified otherwise.
6. If the donor of real estate has required the land be maintained in perpetuity by CFSA, or has established restrictions on the use and maintenance of the land, the Executive Director will make a recommendation that includes the benefits and liabilities and present to the Board of Directors for approval prior to acceptance. Gifts of real estate that carry restrictions that do not meet the values and mission of CFSA may be declined with approval from the Board of Directors.

D. Tangible Personal Property

1. Jewelry, artwork, precious metals, collections, and other personal property shall not be accepted without the prior approval of the Executive Director.
2. CFSA will not accept personal property unless there is reason to believe that the property can be disposed of quickly. No personal property shall be accepted that obligates CFSA to ownership in perpetuity. No perishable property or property which requires special facilities or security to properly safeguard will be accepted without prior approval of the Executive Director.
3. CFSA will abide by the terms of the Internal Revenue Code governing gifts of tangible personal property prior to accepting gifts of personal property. Legal counsel may be required in such transactions.

4. Only persons authorized by the Executive Director or President of the Board may represent to a donor that property will or will not be held by CFSA for a requisite period of time to determine value and other considerations. Donors shall be notified at the time of receipt of a gift that CFSA will, as a matter of its policy, cooperate to the full extent required by law, in all matters related to IRS investigations of non-cash charitable gifts.
5. Personal property given to CFSA for on-site usage, i.e. office or supplies, furniture, etc., is not subject to this policy and may be accepted at the discretion of the Executive Director.

E. Other Property

Partnership interests generally will not be accepted as gifts. Other property of any description, including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by action of the Board of Directors or persons duly acting on its behalf.

F. Services

CFSA may receive gifts of services from individuals or groups. CFSA reserves the right to decline gifts of services that are not needed by the organization or that violate the mission or values of CFSA.

II. Pledges

1. Pledges will be accepted for any restricted or unrestricted purpose as is practical for the mission and programs of CFSA.
2. Pledges can be restricted according to the wishes of the donor in writing at the time the pledge is made. Pledges cannot be retroactively restricted.
3. If the donor receives consideration for a pledge, the pledge will by law be legally binding. Consideration would include any privileges, goods, or services provided to the donor as a result of the pledge. Pledges for which the donor has received no consideration are conditional on the continued good will of the donor.
4. CFSA will not pursue any unfulfilled pledge commitment through legal means unless the Executive Director and Board of Directors decide that special situations or circumstances involved would warrant such action.



5. Documentation of all restricted pledges, including a written pledge form with the donor's signature, or an email from the donor, will be maintained permanently in the donor's data file by the Development Staff.

III. Deferred or Planned Gifts

A. General

1. Neither CFSA nor any of its agents shall act as a personal representative of any donor's estate.
2. Neither CFSA nor any of its agents shall act as a trustee or co-trustee of a charitable remainder trust.
3. When donors are provided planned giving illustrations or form documents, these will contain the following disclaimer, or approximate language: *"We urge that you consult your attorney and financial/tax advisor to review and approve this complimentary information. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way."*
4. The Executive Director or Director of Development will try to meet with each planned giving donor prior to or concurrent with the execution of a gift agreement. All complex arrangements may be reviewed by CFSA's legal counsel.
5. CFSA should not be engaged in the execution of notarial wills. CFSA may, however, provide gift clauses for inclusion in wills by donors and/or their personal counsel.

B. Bequests

1. CFSA is authorized to accept bequests for purposes within the general scope of CFSA's charter, powers, and mission.
2. When CFSA is designated to receive a bequest whose terms dictate that such a gift be retained as a permanent fund, the proceeds thereof shall be paid into a fund operating as an endowment and the income derived from the gift shall be paid to CFSA in accordance with internal policy for the support of authorized activities.
3. In the event of an inquiry, representations as to the future acceptability of property proposed to be left to CFSA in a will or other deferred gift shall only be made in accordance with the terms and conditions of paragraphs I (A-E) of this document. Unusual situations will be presented to the Board of Directors for consideration.

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4. Attempts shall be made to discover bequest expectancies wherever possible in order to reveal situations that might lead to unpleasant donor relations in the future. Wherever possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Executive Director and the Board of Directors, and every attempt should be made to encourage the donor involved to conform his or her plans to CFSA policy.
5. Gifts from the estates of deceased donors consisting of property that is not acceptable shall be declined only by action of the Board of Directors. The Executive Director shall expeditiously communicate the decision of the Board of Directors to the legal representatives of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision of the Board of Directors, this fact shall be communicated to the Board of Directors as quickly as possible.

C. Charitable Remainder Trusts and Charitable Gift Annuities

1. Any potential gift annuity will be referred to the Executive Director or his designee.
2. Gift annuities to CFSA may be managed by retained financial institutions in accordance with CFSA's administrative policies; pertinent state regulations; and, when quoting the rate of return to be paid to the annuitant(s), guidelines established by the American Council on Gift Annuities.
3. No gift annuity will be issued for more than two lives in being.
 - a. The minimum single-life gift annuity is \$10,000.
 - b. The minimum two-life gift annuity is \$20,000.
 - c. The youngest annuitant under either an immediate payment or deferred payment annuity must be at least 70 years of age when the contract is signed. The maximum deferral period under a deferred payment annuity is five years. Only cash or readily marketable securities will be accepted in exchange for a gift annuity.

D. Trusts

1. CFSA may be the beneficiary of charitable remainder unitrusts, annuity trusts, and charitable trusts. Trust donors shall be encouraged to select a corporate trustee independently. However, if the donor wishes, CFSA may agree to be trustee of charitable remainder unitrusts and annuity trusts provided:

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- a. The initial value of the trust is at least \$50,000.
 - b. The entire charitable remainder interest must be vested in CFSA.
 - c. The minimum age for a beneficiary (donor or designee) of a charitable remainder trust will be 50 years of age when the trust agreement is signed and when the beneficiary is to receive immediate, lifetime payments.
 - d. The maximum number of beneficiaries of a charitable remainder trust will be two.
2. When CFSA is advised that it is a beneficiary of a charitable remainder unitrust or annuity trust, it will keep a record of the trust in an expectancy file with the following information: Name, date, and place of the execution of the trust agreement; name and address of the trustee; name and address of the attorney for the trustee; uncertified copy of the trust instrument, or a verbatim quotation of the clause referring to CFSA; approximate value of the gift; annual accounting from the trustee; and any additional information that may be available.

E. Life Estate Contracts

1. CFSA may enter into a retained life estate contract involving one or two persons for a personal residence or farm, with approval of the Executive Director and the Board of Directors.
2. As a general rule, a life estate contract requires the donor to pay all upkeep, property taxes, insurance and other expenses required for the maintenance of the property.
3. However, under unusual circumstances, the Executive Director may elect upon approval from the Board of Directors to have CFSA assume part of this responsibility to protect CFSA's vested remainder interest.

F. Gifts of Life Insurance

1. CFSA may be the primary, secondary, or residual beneficiary of life insurance.
2. CFSA may be the primary or contingent beneficiary of pension benefits.
3. CFSA will not, as a matter of course, agree to accept gifts from donors for the purpose of purchasing insurance on the donor's life. Exceptions to this policy will be made only after researching relevant state laws to assure that CFSA has an insurable interest under applicable state law.

4. In no event shall donor lists be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or CFSA.
5. CFSA staff will avoid the appearance of giving an endorsement, either implied or direct, to any life insurance product, company or agent.

IV. Gift Acceptance with Donor Restrictions

A. CFSA Initiated Restricted Funds

1. Donors may restrict gifts to any of CFSA's restricted funds at the time the gift is made; donors may not retroactively restrict gifts.
2. In the event a donor's gift cannot be used for the originally restricted purpose, the donor will be contacted by the Executive Director or his designee, and the donor will determine if the gift may be unrestricted and used at CFSA's discretion or whether the gift will be returned.
3. Restricted gifts that don't enhance the work of CFSA may be declined by the Executive Director.

B. Donor Initiated Restricted Funds

Donor initiated Temporary or Permanently Restricted funds for a new purpose may be accepted with the concurrence of the Executive Director. Generally these gifts will be over \$10,000 and will advance the mission of CFSA.

C. Documentation

Written documentation, clearly defining the donor-imposed restrictions, should be created at the time the gift is made and maintained permanently in the donor's data file.

V. Gift Acknowledgement and Tax Deductibility

A. Acknowledgement

1. CFSA will acknowledge the receipt of all cash gifts above membership dues in writing or electronically and in a manner that satisfies the Internal Revenue Service's substantiation requirements set forth in IRC Section 170(f) for the deduction of charitable gifts by individual donors.

2. CFSA will acknowledge the receipt of all gifts of goods or services (gifts in kind) in writing or electronically, unless requested not to do so by the donor. Acknowledgement letters for gifts in kind that have been accompanied by a written statement of the value from the donor will include a statement of the value of the gift with the qualifying statement "valued by the donor at... ." CFSA will not issue an acknowledgement letter stating the value of any service provided by a donor.

B. Tax Deductibility

1. Pursuant to Internal Revenue Service regulations, all gifts to CFSA above membership dues are tax deductible, less the value of any goods or services received in consideration for the gift.
2. In general, a donor who contributes a gift in kind to CFSA is eligible for a tax deduction of the market value of the gift at the time of the contribution. Donors should seek the advice of a tax professional to determine the actual tax deductibility of a gift in kind.
3. Gifts of services provided by the donor are not tax deductible.
4. In the event that a donor wishes to donate consulting fees or honoraria earned in the course of CFSA duties, such amounts constitute taxable income of the individual. If the individual decides to donate these fees or honoraria to CFSA, s/he would first be required to accept payment for services then proceed to make a donation in order to qualify for income tax deductions. Otherwise, forfeiture of payments or redirection of funds, while constituting a gift, would not qualify for tax deductions.

VI. Payment of Fees Related to Gifts to CFSA

CFSA will pay no fee to any person as consideration for directing a gift to CFSA. In no event will a commission or finder's fee of any type be paid to any party in connection with the completion of a gift to CFSA.

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