

Big Bend Community Based Care Policy & Procedure

Series: 1300: Financial Management

Policy Name: Fund Raising Practices

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Policy

The Board of Directors of Big Bend Community Based Care, Inc. (BBCBC), endorses and governs philanthropic endeavors for the purpose of supporting the mission of BBCBC. Fundraising initiatives conducted on behalf of BBCBC will adhere to the ethical principles and standards as established by the National Society for Fundraising Executives (NSFRE's mission is to foster the development and growth of fundraising professionals and the profession, to promote high ethical standards in the fundraising profession and to preserve and enhance philanthropy and volunteerism.)

Procedure

A. [Roles and Responsibilities].

1. The Board of Directors is responsible for BBCBC's fundraising activities and may delegate these responsibilities to a subcommittee as desired.
2. The Board of Directors or subcommittee shall review and approve short and long-range fundraising plans as presented by the Chief Executive Officer (CEO) and/or his or her designee.
3. BBCBC primarily supports the fundraising activities of our network partners and conducts fundraising efforts in such a manner as to not interfere with fundraising efforts of its network partner agencies.
4. BBCBC's fundraising efforts will be designed to raise support for, and enhance the availability of, services provided within the stated vision and mission of the agency and its partners.
5. The Board of Directors or subcommittee shall ensure that all fundraising activities are conducted in accordance with accepted ethical and fiscal standards and guidelines as delineated by the National Society for Fundraising Executives.
6. The Board of Directors or subcommittee will monitor fundraising activities and regularly report to the Board of Directors regarding such activities.
7. The Board of Directors or subcommittee shall ensure that appropriate accounting and financial fundraising systems are in place for purposes of handling and acknowledging contributions and maintaining the segregation of restricted funds.

B. Gift Solicitation and Acceptance Guidelines

1. The Board of Directors or subcommittee shall have the responsibility for policies affecting the solicitation and acceptance of donations made to BBCBC. The following guidelines are provided to:

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- a. Protect the interests of the donor, BBCBC, or causes named as the beneficiary of a gift.
 - b. Make certain all gifts are structured to provide maximum benefits to the donor and BBCBC.
 - c. Encourage interested donors to make gifts without encumbering their own or BBCBC's financial or other resources.
 - d. Optimize opportunities to secure gifts from individuals to BBCBC without compromising or endangering its reputation.
2. All gifts, grants and/or support must further BBCBC's mission, goals, objectives and priorities.
 3. No irrevocable gift, whether outright or life-income in character, will be accepted if under any reasonable set of circumstances the gift would jeopardize the donor's financial security.
 4. Any gift presented to BBCBC without the approval of a representative shall not be received until after it is determined that the intended gift and the manner in which it is given is in the best interest of the donor.
 5. The BBCBC CEO shall be apprised of any potential gift or bequest.
 6. Every precaution shall be taken by BBCBC to protect the privacy and confidentiality of each donor and the donor's family. Permission must be obtained before any public acknowledgement is made of gifts received. The right of anonymity must always be respected.
 7. Gifts shall not be accepted where the mental competency of the donor is in question. However, this does not preclude a person acting in the capacity of Attorney-in-Fact from making a gift from the estate of the individual granting the Power of Attorney. In this event, every consideration shall be given to the donor's charitable giving habits and financial condition to ensure that the gift is in the best interest of the donor and is carried out in a prudent manner. The donor's Power of Attorney must specifically grant the power to make charitable gifts.
 8. BBCBC will provide gift receipts meeting IRS substantiation requirements for property received as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received.
 9. Investment considerations and gift considerations are in all cases to be evaluated separately, each on their respective merits. In no event shall the offer of a gift be tied in any way to an investment action or decision by BBCBC.

BBCBC shall in no way compensate, whether through commissions, finders' fees, or other means, any third party for directing a donor to the charity.

- C. Gifts of Personal Property (Cash and Non-Cash).** BBCBC shall assure that appropriate policies are in place to govern the receipt and processing of personal property, cash and non-cash gifts.

Both current gifts and deferred gifts shall be actively encouraged. Response to each type of gift should be prompt without regard to the monetary value or timing of the individual gift. The decision to accept or reject any gift, whether personal property, cash or non-cash, current or deferred, shall be weighed on the merits of the individual gift, always respecting the donor's intent and financial condition as well as the benefit to BBCBC.

1. Types of Gifts: Cash and Non-Cash.

- a. **Cash.** Cash is acceptable in any form. Checks should be made payable to "BBCBC".
- b. **Non-Cash.** All non-cash gifts shall be examined in light of the following criteria:

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- i. Whether the gift is consistent with the mission of BBCBC;
- ii. Whether the gift is marketable;
- iii. Whether there are any costs of carrying the gift;
- iv. Whether there are restrictions that would prevent BBCBC from readily converting the gift to cash;
- v. Whether the gift is useful for the purposes of BBCBC;
- vi. The Board of Directors shall make the final determination on the acceptance of non-cash gifts assessed at more than Five Thousand Dollars (\$5,000.00).

- 2. Restrictions on Gifts.** BBCBC will accept unrestricted gifts, and gifts for specific programs and purposes provided that such gifts are consistent with its stated mission, purposes, priorities and intent. Any gift subject to a restriction shall be accepted, only after review by BBCBC's legal counsel and/or the Board of Directors. Every effort shall be made to ensure the restrictions on the gift do not negate any potential benefit to BBCBC. Also, the restrictions should not encumber BBCBC's staff with excessive additional responsibilities as to make the gift inadvisable.

BBCBC will not accept gifts that are: unduly restrictive in purpose; difficult to administer; inconsistent with its mission; or gifts subject to donor control. In addition, BBCBC will not accept gifts of:

- a. Closely held stock transfers that are subject to buy-sell agreements.
- b. Gifts involving bargain sales or other documents wherein BBCBC would be required to assume an obligation.
- c. Options or futures contracts or any investment vehicle that would expose BBCBC to undue risk.
- d. Transactions with potential conflict of interest that may invoke IRS sanctions.
- e. The Board of Directors shall make all final decisions on the restrictive nature of the gift, and its acceptance or refusal.

- 3. Liquidation of Non-Cash Gifts.** BBCBC is not in the financial position to bear investment risk nor is it especially qualified to manage investments. It shall be the policy of BBCBC to liquidate most non-cash gifts upon receipt. BBCBC may, at its discretion, hold some non-cash gifts (i.e., real estate) in order to provide for future budget needs.

- 4. Valuation of Gifts.** The values of some gifts are relatively easy to ascertain (e.g., cash, stock) while other values are more complex and burdensome to obtain. BBCBC does not possess specific expertise in the valuation of property and, as a result, may decline to assign values to non-cash gifts. BBCBC may, at its discretion, engage an independent appraiser to render an opinion of the value of the gift. Acknowledgement of all gifts made to BBCBC and compliance with current, governing IRS regulations concerning acknowledgment of such gifts shall be the responsibility of the CEO.

- D. Gifts of Real Estate.** The Board of Directors or subcommittee shall provide oversight for all gifts of real estate to BBCBC.

1. Gifts of real estate are acceptable only after the following criteria are met:
 - a. On-site inspection is conducted by designated personnel.
 - b. Determination is made that the property has not been utilized in a manner that would cause embarrassment to BBCBC.

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- c. An appraisal satisfactory to the IRS gift substantiation requirements has been completed and BBCBC and donor have reached an understanding as to the valuation of the property.
 - d. Debt, insurance, homeowners' association fees, property taxes and other carrying costs have been assessed as to the effect on the advisability of accepting the gift.
 - e. Appropriate steps have been taken to determine if any other liabilities might attach to the property such as leases, contracts, or servitudes.
 - f. All pertinent information regarding the property is supplied by the donor. This would include names of owners and co-owners (and percentage ownership), recent tax statements, address and/or legal description, and description of current use.
 - g. Donor must convey all his/her undivided interest in the real estate including any mineral interests. The IRS will not consider a gift of partial interest and would disqualify such a gift from income and estate tax deductions.
 - h. 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.
 - i. The Board of Directors must approve any exception.
2. Gifts of real estate are ordinarily acceptable only after it has been determined that no reasonable possibility exists that the property could be contaminated by toxic waste. An initial inspection shall be made by an appropriate designated person. This inspection shall include both a physical inspection and an investigation of the recent ownership history of the property. If, after inspection, it is determined that there is a substantial likelihood that the property has been environmentally impacted, the property may not be accepted. If, after inspection, it is determined that a reasonable possibility exists that the property has been environmentally impacted, an inspection must be made by a licensed environmental consultant, who must certify, within the context of a Site Assessment, that no contamination exists before the property may be accepted. The expense of inspection must be borne by the donor unless an exception is approved by the Board of Directors.
 3. Where a personal residence is the subject of a gift, it will not be accepted without the approval of the Board of Directors if the right to utilize the residence is vested in a person other than the donor. Gifts of personal residences will be subject to BBCBC's real estate policies and environmental assessment procedures.
- E. Gift Receipts.** The Board of Directors or subcommittee will provide oversight of all gifts and grant funds to assure that BBCBC records such gifts in the proper accounts, acknowledges, gives appropriate recognition, and holds the funds until needed for general or restricted purposes, or transfers for use if so specified.
1. BBCBC's Accounting Department will be directly responsible for receiving donations and depositing in the appropriate accounts. The funds will then be invested in accordance with Finance policies.
 2. Specific funds, including an unrestricted fund, as well as restricted funds, will be created and gifts will be recorded appropriately.

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3. BBCBC will ensure that each donor receives acknowledgement and, depending on the size of the gift and to the degree that the donor is willing, public recognition. All gifts, regardless of amount, will be promptly acknowledged by a letter from BBCBC's CEO. The following guidelines will be used in providing acknowledgement to and recognition of donors/sponsors:
 - a. A letter of acknowledgement for gifts of money and in-kind support will be sent to all donors/sponsors and a copy will be placed on file.
 - b. Any special recognition agreements will be stipulated in the letter.
 - c. Public acknowledgement of sponsorship in promotional materials will normally be restricted to a statement of the sponsor's name and a display of logo. Standards controlling the size format and location of such acknowledgment will be developed by BBCBC to ensure both consistency and quality of appearance. Such acknowledgement will not take precedence or have prominence over BBCBC's own logo or promotional material.
 - d. In all cases, the type and scope of donor recognition required by the donor will be weighed against the benefit to BBCBC.