

## Gift Acceptance Policy & Guidelines

### **POLICY PURPOSE**

The purpose of the Gift Acceptance Policy and Guidelines (the Gift Acceptance Policy) is to establish terms for the acceptance of gifts by Utah's Promise / United Way of Salt Lake (hereafter UP / UWSL), to outline policies for the acceptance of certain types of gifts, and to provide guidance to prospective donors and their advisors when making gifts to Utah's Promise / United Way of Salt Lake. The provisions of this policy shall apply to all gifts received by UP / UWSL. This policy will also serve as a guideline to UP / UWSL staff and volunteers involved with accepting gifts and outside consultants or advisors who assist in the gift planning process. The policy allows for limited flexibility on a case-by-case basis and will be reviewed and UP / UWSL dated every three years, or as needed.

### **PROVISIONS**

The Board of Directors (hereafter "the Board") recognizes the importance of establishing policies and procedures to meet UP / UWSL's development needs and of directing efforts to attract private funding to support the achievement of its purpose and mission.

The Finance Committee will act as the Gift Acceptance Committee and has the authority to accept or reject gifts offered to UP / UWSL. The Finance Committee may consult with legal counsel on any gift acceptance matters. When, in the opinion of the CEO and/or the Finance Committee, a gift carries the potential for significant risk or is unique in nature, the Finance Committee will develop a recommendation for the Board's consideration.

### Responsibility to the Community

1. We seek to work with people that understand and endorse the purpose, objectives, strategies, and operations to which the donation is directed and specifically seek a commitment of donors to work with us to address those systemic inequities and practices that are at the root of the results we seek to achieve
2. UP / UWSL will not knowingly accept gifts that have an explicit or implied quid pro quo condition that undermine the results UP / UWSL is working to achieve or that would cause UP / UWSL to violate its code of ethics or core values
3. UP / UWSL will not knowingly accept gifts that were obtained or derived through illegal means
4. UP / UWSL reserves the right to reject gifts that are determined to undermine UP / UWSL's mission and/or the results we seek to achieve
  - a. In cases where a particular gift is in question, the UP / UWSL board will assure that the necessary expertise is identified and included in the decision-making process, with a specific commitment to the inclusion of individuals with direct expertise and the inclusion of community voice (i.e., individuals with lived experience or those impacted by UP / UWSL's work)

## Responsibility to Donors

1. In all gift matters, UP / UWSL staff and volunteers must be aware of and sensitive to each donor's financial needs and concerns
2. The role of the UP / UWSL representative is to inform and assist the donor and donor's counsel about UP / UWSL gift opportunities. Representatives of UP / UWSL shall use their best judgment to help educate donors about appropriate gift opportunities. Prospective donors shall be advised to seek counsel and/or tax advice from their own counsel and disclose that UP / UWSL staff/volunteers are representing the interests of UP / UWSL
3. UP / UWSL will not knowingly accept a gift that is contrary to the donor's best interests (i.e., that would do financial harm to the donor), nor will it accept any gift that knowingly violates the Internal Revenue Code or any other federal or state laws.
4. UP / UWSL will not, under any circumstances: (a) furnish property appraisals or valuations to donors for tax purposes, or (b) knowingly participate in a transaction in which the value of a gift is inflated above its true fair market value.
5. In accordance with the provisions of the Internal Revenue Code and related regulations, proper records will be kept and required tax returns filed by UP / UWSL for all gifts processed and/or administered by UP / UWSL. The UP / UWSL CFO or his/her staff shall execute all necessary IRS forms, including IRS forms 8282 and 8283, that relate to gifts processed and/or administered by UP / UWSL. All executed forms are to be reviewed by the Finance Committee prior to submission to the IRS.
6. In accordance with UP / UWSL's Donor Privacy Policy, all donative instruments will be kept confidential to the extent permitted by law. All files will be made available upon request to agents of the Internal Revenue Service. All other requests for information will be honored only if the donor has approved the release of information in writing or if current law requires release of the information.
7. UP / UWSL reserves the right to decline donations even if they meet these guidelines, to change these guidelines at any time, and to make exceptions to these guidelines in special circumstances.
8. Contributions do not entitle donors to participate in decision-making or give donors special access to the organization's leaders or staff.

## TYPES OF GIFTS

The following gifts shall be considered by the Finance Committee for acceptance at any time and based on the following requirements:

1. Cash
  - All legal gifts in the form of cash, check, or credit card shall be accepted by UP / UWSL, regardless of the amount
  - Checks shall be made payable to "UP / UWSL" or "Utah's Promise / United Way of Salt Lake"

2. Publicly Traded Securities
  - Readily marketable securities, such as those traded on any recognized stock exchange, can be accepted by UP / UWSL
  - Gift securities will be sold in accordance with UP / UWSL's current investment policy
3. Closely Held Securities
  - Non-publicly traded securities may be accepted after approval of the Finance Committee in consultation with proper counsel
  - Prior to acceptance, UP / UWSL shall explore methods of liquidation for the securities through redemption or sale. A representative of UP / UWSL shall contact the closely held corporation to determine:
    - An estimate of fair market value
    - Any restrictions on transfer
  - No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities
4. Real Estate
  - All gifts of real estate must be reviewed by the Finance Committee before acceptance. Real estate gifts will be accepted based on projected financial benefit to UP / UWSL to include projected sales price, anticipated time to sell the property, financial encumbrances, and any impairment associated with the property
  - The donor is responsible for obtaining an appraisal of the property. The cost of the appraisal is borne by the donor
  - Prior to presentation to the Finance Committee, a member of the UP / UWSL staff must conduct a visual inspection of the property. If the property is in a geographically distant or isolated area, a qualified real estate broker may be substituted for a member of the staff in conducting the visual inspection
  - Due to the time and expense associated with gifts of real estate, only gifts with an estimated value exceeding \$100,000 will be accepted. Exceptions may be considered by the Finance Committee.
  - Prior to presentation to the Finance Committee, the donor must provide the following documents:
    - Property deed
    - Property tax bill
    - Property title report
    - Property ALTA survey
    - Site plans or any other development studies prepared on the property
    - Any existing leases or agreements encumbering the property, including listing agreements with real estate brokers
    - Current property zoning
    - Phase one Environmental Assessment conducted by a qualified environmental consultant testing for hazardous substances on or around the subject property
    - Property appraisal

5. Life Insurance
  - UP / UWSL will accept gifts of life insurance policies if the policy is paid UP / UWSL and has a minimum face value of \$5,000
  - UP / UWSL may be named as a primary beneficiary, secondary beneficiary, or contingent beneficiary of a life insurance policy
  - Participation in premium finance life insurance programs is prohibited
6. Tangible Personal Property
  - Gifts of tangible personal property to UP / UWSL will be accepted, provided in the judgment of the Finance Committee, they are readily available to turn into cash. Prospective donors of tangible personal property will be referred to their tax advisors regarding the gift
  - Gifts of jewelry, artwork, collections, and other personal property not related to UP / UWSL's exempt purpose will be accepted on a case-by-case basis after approval by the Finance Committee
  - Gifts of tangible personal property as defined above shall be sold for the benefit of UP / UWSL
  - No property which requires special display facilities or security measures shall be accepted by UP / UWSL without consultation with the Finance Committee
  - Depending UP / UWSL on the anticipated value of the gift, UP / UWSL shall have a qualified outside appraiser value the gift before accepting it. This will be done independently from the donor's own appraisal. Costs of the appraisal will be covered by the donor
  - UP / UWSL adheres to all Internal Revenue Service requirements related to disposing of gifts of tangible personal property and the filing of all appropriate forms
7. Memorials and Honorariums
  - All memorial and honorarium gifts received by UP / UWSL will be placed into UP / UWSL's Unrestricted Endowment Fund, unless otherwise restricted

## DEFERRED GIFTS

UP / UWSL will consider participating in the following planned giving instruments ("Deferred Gifts"):

1. Charitable gift annuities
2. Deferred gift annuities
3. Charitable remainder trusts
4. Charitable lead trusts
5. Bequests
6. Retained life estates
7. Donor advised funds
8. Supporting Organization

The following guidelines will serve as a reference for the Finance Committee in evaluating Deferred Gifts:

#### 1. Charitable Gift Annuities

- UP / UWSL will utilize the United Way Worldwide (UWW) National Charitable Gift Annuity Program
- UP / UWSL will adhere to the policies of the UWW National Charitable Gift Annuity Program, including but not limited to, the following provisions:
  - There shall be no more than two beneficiaries on a charitable gift annuity
  - The minimum gift accepted to establish a charitable gift annuity is \$10,000
  - No income beneficiary for a charitable gift annuity shall be younger than 60 years old. UP / UWSL follows the American Council on Gift Annuities suggested rates

#### 2. Deferred Gift Annuities

- UP / UWSL will utilize the UWW National Charitable Deferred Gift Annuity Program.
- UP / UWSL will adhere to the policies of the UWW National Charitable Deferred Gift Annuity Program, including, but not limited to, the following provisions:
  - The minimum gift accepted to establish a deferred gift annuity is \$10,000
  - The minimum age for deferred gift annuity payments to commence is 60
  - UP / UWSL follows the American Council on Deferred Gift Annuities suggested rates

#### 3. Charitable Remainder Trusts

- Due to the cost of drafting and administration, the minimum suggested UP / UWSL share required to establish a charitable remainder trust is \$100,000.
- Investment of a charitable remainder trust shall be determined by those hired by the donor. No representations shall be made by an UP / UWSL employee or person acting on behalf of UP / UWSL as to the management or investment of such charitable remainder trust. UP / UWSL may provide the donor a list of organizations providing trustee/administrator/investment services but shall make no recommendations as to the organization to use
- The payout rate of a charitable remainder trust shall be determined by the donor in conjunction with the donor's advisor(s). By law, the payout rate cannot be lower than 5% nor greater than 50%. The charitable deduction must be at least 10%. UP / UWSL may illustrate to the donor and donor's advisor(s) how the proposed payout rate may impact the ultimate remainder amount received by UP / UWSL.

#### 4. Charitable Lead Trusts

- Due to the cost of drafting and administration, the minimum suggested amount to establish a charitable lead trust is \$100,000.
- Investment of a charitable lead trust shall be determined by those hired by the donor. No representations shall be made by a UP / UWSL employee or person acting on behalf of UP / UWSL as to the management or investment of such

charitable lead trust. UP / UWSL may provide the donor with a list of organizations providing trustee/administrator/investment services but shall make no recommendations as to the organization to use.

- The payout rate of a charitable lead trust shall be determined by the donor in conjunction with the donor's advisor(s). UP / UWSL may illustrate to the donor and donor's advisor(s) how the proposed payout rates may impact the ultimate remainder amount received by UP / UWSL.

## 5. Bequests

- Donors of UP / UWSL shall be encouraged to make bequests to UP / UWSL under their wills and trusts. The present value of that gift will be recorded as an expectancy of \$1,000 unless the donor notifies UP / UWSL otherwise. UP / UWSL requires no proof from the donor as to the details of his/her bequest. Matured bequests will be deposited into UP / UWSL's Unrestricted Endowment Fund, unless otherwise directed by the donor. The legal name to be used in the bequests is "Utah's Promise / United Way of Salt Lake."

## 6. Retained Life Estates

- A charitable or retained life estate is an agreement made through a written transfer (deed) of the remainder interest in one's personal residence, farm, or ranch to the ministries and/or charities of their choice. The couple or individual retains the right to live in the home for life, with the charity receiving the property after death. The gift or the remainder interest qualifies for an income tax deduction in the year given.

## 7. Donor-Advised Funds

- Donors may create a fund from which they recommend distributions that serve community needs and reflect UP / UWSL's mission and goals ("Donor-Advised Funds").
  - A minimum gift of \$10,000 is required to establish a Donor-Advised Fund where the donor suggests only beneficiary changes
  - The minimum distribution amount to any project or charity will be \$1,000
  - Advice on distribution of funding is required to be provided by the donor a minimum of once per year and all recommendations must be in writing
  - The Donor-Advised Fund is irrevocable. Nevertheless, solely to ensure that the fund is a qualified component of UP / UWSL, for federal tax purposes, UP / UWSL, acting alone shall have the power to modify the terms of the Donor-Advised Fund Agreement solely to the extent required to ensure such qualification

## 8. Supporting Organizations

- The supporting organization offers both the operational advantages of a private foundation and the tax advantages of the public charities they support. A

supporting organization is subject to fewer restrictions than the private foundations but offers the donor less control.

- A supporting organization is classified as a public charity rather than as a private foundation
- A donor establishes a supporting organization, chooses one or several charitable organizations to benefit from the supporting organization which will manage the funds
- The supporting organization may support more than one charity, but all charities must be named at the time the supporting organization is established
- Donors may deduct up to 50 percent of adjusted gross income for gifts of cash to a supporting organization

### **ADMINISTRATIVE ISSUES**

1. UP / UWSL staff shall not act as the executors or personal representative for a donor's estate
2. UP / UWSL may act as co-trustee on a charitable remainder trust when the trust names UP / UWSL as an irrevocable beneficiary of 50% or more of the trust
3. UP / UWSL will pay for the drafting of legal documents for a charitable remainder trust when UP / UWSL is named as an irrevocable beneficiary of 50% or more of the trust. The donor's own counsel must review the documents at the donor's cost

### **GIFT CREDIT AND RECOGNITION**

UP / UWSL gift credit and recognition policies will follow the gift recognition practices of UP / UWSL.

### **CONFLICT OF INTEREST**

UP / UWSL, its Board, and management are responsible for the determination, design and administration, and management of its strategies. UP / UWSL team members should provide information to donors concerning planning techniques available to achieve a donor's charitable goals, including full disclosure. UP / UWSL will not engage in pressure tactics, and no agreement, trust, or contract will be presented that would benefit UP / UWSL at the expense of the donor's best interests and charitable motivations.

### **CONFIDENTIALITY**

All information concerning prospective donors will be confidential and in compliance with UP / UWSL's Donor Privacy Policy.

### **LEGAL/TAX COUNSEL**

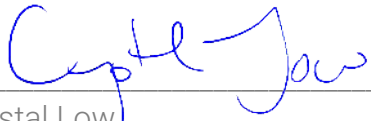
Donors shall be required to secure the advice of independent legal, tax, and accounting counsel in all matters pertaining to a gift.

Adopted by the Board of Directors, Utah's Promise / United Way of Salt Lake on this 15<sup>th</sup> day of September 2023.



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Kirk Aubry  
Chair, UP Board of Directors



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Crystal Low  
Chair, UWSL Board of Directors