



## GIFT ACCEPTANCE POLICIES OF CAMP KUDZU, INC.

*Revised February 13, 2018*

The gift acceptance policy guides representatives of Camp Kudzu, Inc. who may be involved in the acceptance of gifts, outside advisors who may assist in the gift planning process, and prospective donors who may wish to make gifts to the organization.

Any questions that arise in the review and acceptance of gifts to Camp Kudzu, Inc. will be referred to Camp Kudzu's Finance Committee.

- 1) Gifts will only be accepted where there is **charitable intent** on the part of the donor. Camp Kudzu, Inc. is unable to accept gifts that are overly restrictive in purpose. The most desirable gifts are those with the least restrictions, as unrestricted funds allow the organization to address its most pressing needs. Unless the board grants a specific exception, Camp Kudzu, Inc. will not accept any gifts that
  - a) Contain a condition that requires any action on the part of the organization that is unacceptable to the Executive Director,
  - b) Contain a condition that the proceeds will be spent by the organization for the personal benefit of a named individual or individuals,
  - c) Require the organization and its administration to employ a specified person now or at a future date,
  - d) Inhibit the organization from seeking gifts from other donors,
  - e) Expose the organization to adverse publicity, litigation, or other liabilities,
  - f) Require undue expenditures, or involve the organization in unexpected responsibilities because of their source, conditions, or purpose,
  - g) Involve unlawful discrimination based upon race, religion, gender, sexual orientation, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws.
- 2) **Unrestricted, outright gifts of cash, check, debit and credit card payments** do not require approval. Routine gifts are accepted and administered through Camp Kudzu's development department, with the Executive Director having final authority to accept routine gifts.
- 3) **In-kind medical supplies** are accepted for use in Camp Kudzu's program. The value of such supplies is recorded at donor-stated value or the value derived from analysis of current wholesale market prices. Inventory of supplies unused in any one year is maintained, using first-in-first-out accounting practice when supplies are drawn down or expensed for reasons such as product expiration.
- 4) **Readily marketable securities**, such as those traded on a stock exchange, can be accepted. For gift crediting and accounting purposes, the value of stock and bonds contributed as a charitable gift is calculated using the average between the high and low trading values on the gift date. For gifts of mutual fund shares, the value is based on the closing net asset value. Gifts of securities

are liquidated as soon as practical. Camp Kudzu will also add the following language in acknowledgement letters for stock gifts: ***“Please consult your advisor about how the tax rules apply to your contribution.”***

- 5) **Non-publicly traded and/or closely held securities** may be accepted after the Finance Committee has reviewed and authorized acceptance of the gift. Donor shall provide the Finance Committee with an independent estimate of the fair market value of such securities and shall make no commitment for repurchase of such securities prior to completion of the gift.

The Finance Committee’s review shall include, but not be limited to, the following:

- a) An estimate of fair market value,
- b) Any restrictions on the transfer,
- c) Whether and when an initial public offering is anticipated,
- d) Whether such securities may cause Camp Kudzu, Inc. to incur unrelated business income and tax liabilities on such income,
- e) Whether, when and how such securities may be liquidated.

The final determination on acceptance of the gift shall be at the sole and absolute discretion of the Finance Committee. Camp Kudzu, Inc. shall not be responsible for any costs or expenses incurred by Donor in the event Camp Kudzu, Inc determines it is in their best interests to not accept the gift.

- 6) **Real Estate** gifts must be reviewed by the Finance Committee which may consult advisors who are knowledgeable of such assets. The donor is responsible for obtaining and paying for an appraisal of the property. The appraisal must be performed by an independent and professional agent qualified to appraise real estate of type intending to be donated.

The following steps must be taken (the following list is not intended to be exhaustive, and the Finance Committee reserves the right to require Donor to take additional steps as may be necessary for the Finance Committee to make a reasonable determination with respect to the gift):

- a) The appraisal must be based upon a personal visitation and inspection of the property by the appraiser. It must show documented valuation of comparable properties.
- b) The appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, any covenants and/or use restrictions on the property, and complete information regarding all mortgage, liens, litigation or title disputes.
- c) Property encumbered with a mortgage or other indebtedness cannot normally be accepted as a gift unless the donor agrees to assume all carrying costs until the property is liquidated. Exceptions to this guideline can be made when the value of the property exceeds the anticipated exposure, or will produce income, or will be used by Camp Kudzu, Inc. in its programs.
- d) Camp Kudzu, Inc. requires an environmental assessment in compliance with the Federal Law, which must be provided at the donor’s expense.
- e) The donor may be asked to pay for all or a portion of the following:
  - i) Maintenance costs,
  - ii) Real estate taxes,

- iii) Insurance,
- iv) Real estate broker's commission and other costs of the sale, and
- v) Appraisal costs.

For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate. However, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commission or other expenses of sale.

The final determination of the acceptance of the real property shall be at the sole and absolute discretion of Camp Kudzu, Inc. Camp Kudzu, Inc. shall not be responsible for any costs or expenses incurred by Donor in the event Camp Kudzu, Inc determines it is in their best interests to not accept the gift.

- 7) **Life Insurance** gifts must be reviewed and authorized by the Finance Committee prior to acceptance, which acceptance shall be in the sole and absolute discretion of the Finance Committee. All gifts of life insurance must comply with applicable state insurance regulations, including insurable interest clauses. Camp Kudzu, Inc. does not accept any gifts requiring annuity payments that will be guaranteed by the organization.

Camp Kudzu will only accept a life insurance policy as a gift if Camp Kudzu, Inc. is named as the owner and beneficiary of 100% of the policy, unless the Finance Committee decides otherwise. If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.

- 8) **Tangible Personal Property** gifts, other than those donated for sale in a fund-raising event's auction, must be reviewed by the Finance Committee. Appraisal from a qualified outside appraiser must accompany the gift. All expenses incurred in connection with such appraisal shall be borne by the Donor. Camp Kudzu has the right to sell or dispose of property in the future without notice to donor.

- 9) **Deferred Gifts** can be made through any of a variety of vehicles, including:

- a) Charitable remainder trust
- b) Charitable lead trust
- c) Bequest
- d) Retained life estate.

Camp Kudzu will not act as an executor for a donor's estate, nor as a trustee of a charitable remainder trust, or similar trust. When donors are provided planned gift invitations or information, the following disclaimer should be included:

*We strongly urge that you consult with your attorney, financial and/or tax advisor to review and approve this information that we have shared with you free of charge or obligation. This information in no way constitutes advice.*

- 10) **Donor Restrictions** are honored for donations equal to or greater than \$1,000 if the intent of the gift is in keeping with Camp Kudzu's mission and needs, as determined by the Executive Director. Camp Kudzu will create a fund for such gifts. Assets received with restrictions are

merged with other assets but the identity and designated purpose of the fund is preserved individually.

New gifts are added and withdrawals are subtracted to arrive at the new value of the designated fund on the last day of the fiscal year. Unless donors advise otherwise, 20% of the fund's value just prior to the end of the fiscal year will be released for the intended purpose.

- 11) **Noncash gifts** will be accepted only when it is reasonably expected they can be converted into cash within a reasonable period of time or when Camp Kudzu, Inc. can utilize the property in its operations. All noncash gifts to Camp Kudzu, Inc. will be sold at the discretion of Camp Kudzu, Inc., whose express policy will be to convert the property to cash at the earliest opportunity, keeping in mind current market conditions and the potential use of the property in the accomplishment of the mission of Camp Kudzu, Inc.
- 12) All associated expenses of any type of gift made to Camp Kudzu, Inc. are to be borne by the donor. A determination by the appropriate party at Camp Kudzu, Inc. not to accept a gift shall not entitle the Donor to any reimbursement of expenses incurred in connection with the gift.
- 13) Donors of property gifts of over \$5,000, except for gifts of publicly traded stock, must obtain an appraisal by an independent third-party appraiser in accordance with current tax law requirements.
- 14) 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 noncash gifts must acknowledge that Camp Kudzu, Inc. is not acting as a professional advisor, rendering opinions on the gift. All information concerning gift planning from Camp Kudzu, Inc. is to be for illustrative purposes only and is not to be relied upon in individual circumstances. Camp Kudzu, Inc. may require a letter of understanding from a donor of a property gift, along with proof of outside advice being rendered, before such a gift will be accepted.
- 15) All gifts and gift consideration must meet all applicable local, state, and federal laws and regulations.