

GIFTS CAN BE DANGEROUS:

HOW & WHY GIFT ACCEPTANCE POLICIES ARE REALLY SUPERHEROES

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- Foundation Director, All Saints Health Foundation, Baylor Scott & White All Saints Medical Center – Fort Worth
- 25 years experience with nonprofits, 15 years directing gift planning programs
- Current Chair-Elect of the PPP Board
- 2015 Conference Chair for NCPP
- Received The Ben Franklin Award for Outstanding Fundraising Executive from The Fort Worth Chapter of AFP
- B.S. from North Dakota State University
- M.B.A from Texas Christian University

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LET'S START WITH A QUICK POLL



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GIFT ACCEPTANCE POLICIES AND PROCEDURES (GAPPS)

- Good philanthropy and donor relations
- Good stewardship
- Good governance
- No organization is too small or too limited



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TERMINOLOGY: POLICIES & PROCEDURES

- Often used interchangeably and/or combined into one document
- Technically different, written for different purposes and audiences
- Encouraged to maintain policies and procedures as two separate documents



WHAT IS THE DIFFERENCE?

Policies

- Broad statements
- Consistent with the values and objective of your organization
- Brevity is good

Procedures

- Detailed steps, rules and processes for execution of policy
- Directed to those responsible for gift acceptance operations
- User's manual customized to your organization



PRIMARY FUNCTION OF GAPPS

- Provide discipline and consistency
- Define role in gift administration
- Educate organization staff/board
- Outline assets and gift vehicles accepted
- Protect organization and donor
- Allows for a gracious “thank you, but no thank you”



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CREATING AND ADOPTING GAPPS

- Create as early in an organization’s infancy as possible
 - Create a committee now
 - Prevent “blingy gift” blindness
 - CYOA (cover your organizational assets)
- Collaborative process
 - PG or dev. staff, CEO, CFO, board members, etc.
 - Cumulative knowledge/guidance
 - Customize to the organization
 - Educate the board and staff in the process of gift evaluation



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CREATING AND ADOPTING GAPPS

- Adoption process is opportunity to educate
 - Staff, board, and even donors
 - Include in board and staff orientation
- Adoption creates organizational consistency
- Annual review
 - Maintain customization



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GIFT ACCEPTANCE COMMITTEE

- Review gifts and makes recommendations
- CEO, CDO, CFO, board members, etc.
 - Gift planner or another development officer reports to the GAC
- Flexible and able to make quick decisions



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SUGGESTED GAPP CONTENTS

1. Purpose of GAPP
2. Use of legal counsel
3. Conflict of interest statement
4. Restrictions on gifts
5. Gift Acceptance Committee



SUGGESTED GAPP CONTENTS, CONT.

6. Gift vehicles your organization accepts
7. Assets your organizations encourages
8. Payment of Fees
 - Finders Fees
 - Professional Fees
9. Gift documentation and gift recognition
10. Sample forms/checklists



TYPES OF PLANNED GIFTS YOUR ORGANIZATION ACCEPTS

- Bequests
- Charitable gift annuities
- Real property
- Charitable remainder trusts
- Charitable lead trust
- Donor advised fund
- Pooled income fund
- Retained life estate
- Testamentary life income
- Charitable bargain sale



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ASSETS YOUR ORGANIZATION ENCOURAGES

- Cash
- Securities
- Life insurance
- Personal property
- Real estate
- Retirement plans
- Business interests
- Oil, gas, mineral interests
- Intellectual property rights
- Grain, livestock



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USEFUL FORMS FOR YOUR GAP

- [Donee Information Return IRS Form 8282](#)
- [Noncash Charitable Contributions IRS Form 8283](#)
- [Instructions for Form 8283](#)
- [Publication 526: Charitable Contributions](#)
- [Publication 561 - Determining the Value of Donated Property](#)
- [Revenue Procedure 2007-45](#)
- [Revenue Procedure 2007-46](#)
- [Internal Revenue Bulletin \(2005-34\): ESTATE TAX](#)



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SAMPLE FORMS

- [UT System Endowment Agreement](#)
- [UT System Life Estate Form](#)
- [UT System Gift Pledge Form](#)
- [Howard University Real Estate Checklist](#)
- [The Nature Conservancy Legal Designation Language Form](#)
- [Kathryn Miree Gift Acceptance Form](#)



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OUR SUPERHERO TO THE RESCUE

A regional religious entity whose purpose includes assisting with the establishment of new congregations for its denominational affiliate receives a gift of 5 acres of land in far south Dallas. The land was donated for the use of one of the denominational affiliates by a well intended parishioner in 2013. She acquired the land from a relative in 2002. It was recorded at the tax appraised value of \$74,000 by the church. The regional religious entity has no gift acceptance policy.



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OUR SUPERHERO TO THE RESCUE

A well-intentioned board member calls the executive director and relays that a local antique shop is “going out of business” and wants to donate their building and land to your foundation. The business is a former site of a local historic gas station and auto garage.



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OUR SUPERHERO TO THE RESCUE

A donor calls and wants to give their entire estate (valued at \$5 million) to your organization and is revising their will and estate documents. Your organization provides children's services. The donor wants to restrict the gift to building a health center for low income on your property.



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OUR SUPERHERO TO THE RESCUE

A entrepreneurial trustee donates \$5,000,000 worth of stock in exchange for immediately naming a program on campus during a campaign. The donor asks that the stock be held for a year before being sold.



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OUR SUPERHERO TO THE RESCUE

The president of your organization calls and tells you she just had a wonderful conversation with a trustee who wants to donate an airplane to your organization. Your organization is an art museum.



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CONCLUSION

- Written policies and procedures are crucial to managing risk and allocating resources
- Important elements in effective governance and operation of your organization
- Include routine or anticipated issues that could potentially “threaten” the viability of the organization
- One size does NOT fit all
- Objective should be to encourage gifts, not to discourage them



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BEN FRANKLIN, 1751



- *“Originality is the art of concealing your sources”*

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SOURCES

- <http://kathrynmireeandassociates.com>
- www.IRS.gov
- [UT System Gift Acceptance Procedures](#)
- www2.howard.edu
- www.nature.org
- *“Effective Gift Acceptance Policies and Procedure”* by David Wheeler Newman (printed in *Journal of Gift Planning*, July 2011)

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Q&A



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ADDITIONAL QUESTIONS

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THANK YOU!

