



## **Humane Society of Sarasota County Gift Acceptance Policy**

### **I. Introduction**

The Humane Society of Sarasota County (HSSC), a nonprofit organization organized under the laws of the State of Florida, solicits and accepts gifts for purposes that will help HSSC further and fulfill its mission. As the area's premier no-kill shelter, HSSC engages the hearts, hands, and minds of the community to help animals.

HSSC solicits current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of HSSC. Positive relationships among all these parties are essential to HSSC's financial stability.

The provisions of this policy govern the acceptance of gifts made to HSSC for any of its operations, programs, or services. Special gifts are considered on their merits, and final action is taken on those as authorized by the HSSC Board of Directors.

### **II. Legal and Ethical Considerations**

- A. HSSC cannot give accounting, tax, or legal advice, but works closely with the donor's advisors. HSSC urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. It is the donor's responsibility to secure independent legal counsel for all gifts made to HSSC.
- B. Where appropriate, HSSC will seek the advice of legal counsel in matters relating to acceptance of gifts. Review by counsel is recommended for:
  - 1. Gifts of securities that are subject to restrictions or buy-sell agreements.
  - 2. Documents naming HSSC as trustee or requiring HSSC to act in any fiduciary capacity.
  - 3. Gifts requiring HSSC to assume financial or other obligations.
  - 4. Transactions with potential conflicts of interest.
  - 5. Gifts of property which may be subject to environmental or other regulatory restrictions.
- C. HSSC will not compensate, whether through commissions, finders' fees, or other means, any third party for directing a gift or a donor to HSSC. It is understood that such fees may not be legal and that in the case of irrevocable deferred gifts that involve

management of assets, the payment of such fee may subject HSSC to federal and state security regulation.

- D. HSSC does not pay commissions or percentages associated with negotiation and acceptance of any form of gift.
- E. Gifts are also subject to the provisions of other HSSC policies, including the adopted Conflict of Interest policies.

### **III. Donor Consideration and Recognition**

- A. HSSC accepts unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. HSSC does not accept gifts that are excessively restrictive in purpose. Gifts that are excessively restrictive include those that:
  - 1. Would result in HSSC violating its bylaws;
  - 2. Would result in HSSC losing its status as an IRS 501(c)(3) not-for-profit organization;
  - 3. Are too difficult or expensive to administer in relation to their value;
  - 4. Would result in any unacceptable consequences for HSSC; or
  - 5. Are for purposes outside HSSC's mission.
- B. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee, in consultation with the Executive Director.
- C. Any gift may be made in honor of or in memory of the donor or anyone he/she may wish to designate. Notice of the person honored or memorialized must be provided at the time the gift is made. Upon request, notification of the gift is mailed to a third party. The gift amount is not disclosed.
- D. HSSC will respect the intent of the donor relating to gifts for restricted purposes and those relating to the desire to remain anonymous. With respect to anonymous gifts, HSSC will restrict information about the donor to only those staff members with a need to know.
- E. Donor privacy is governed by the Donor Privacy Policy adopted by the Board of Directors.

### **IV. General Gift Acceptance**

- A. All charitable contributions, regardless of value, form, or designated use, are made only to HSSC, using the proper legal name, "Humane Society of Sarasota County."
- B. Gifts received via postal mail are recorded as of the date postmarked. Hand-delivered gifts are recorded as of the date of receipt. Gifts made via credit card over the phone are

recorded as of the date received, and online credit card gifts are recorded as of the date of the transaction.

- C. The gross amount of donations made via credit card or online payment is credited to a donor for recognition purposes. For accounting purposes, the donations are recorded net of credit card processing fees.
- D. Pledges are considered on a case-by-case basis.
- E. Use of Grant Funds
  - 1. All grant funds given to HSSC are to be spent in accordance with the funding agreement provided by each grant.
  - 2. Prior to submission of a grant proposal, the grant writer is responsible for verifying that HSSC can use the funds as requested.
- F. Gift Acknowledgment and Substantiation
  - 1. HSSC will provide acknowledgment to donors meeting IRS substantiation requirements for property received by the charity as a gift.
  - 2. 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 by HSSC.
- G. Evaluation and Acceptance of Gifts—Gifts fall into two main acceptance categories:
  - 1. Gifts Generally Accepted Without Review (see Section V); and
  - 2. Gifts Subject to Prior Review (see Section VI)
- H. Declining Gifts—Gifts may have to be declined under certain conditions including, but not limited to, the following:
  - 1. The gift is restricted and requires support from other resources that are unavailable, inadequate, or may be needed for other institutional purposes.
  - 2. The gift is restricted and supports a purpose or program peripheral to existing principal purposes of HSSC.
  - 3. The gift creates or perpetuates programs or obligations that dissipate resources or deflect energies from other programs or purposes.
  - 4. The gift injures the reputation or standing of HSSC or generates such controversy as to substantially frustrate and defeat the purpose to be served.

## **V. Gifts Generally Accepted Without Review**

- A. Cash
  - 1. Cash gifts are acceptable in any form and any amount, including by check, money order, credit card, or online.
  - 2. Checks and money orders shall be made payable to the Humane Society of Sarasota County.

3. In no circumstance shall checks or money orders be made payable to an employee, volunteer, or agent for the credit of HSSC.
4. When requested, HSSC will provide wire transfer instructions to a donor.
5. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, Discover, or American Express), card number, expiration date, and name of the card holder as it appears on the credit card. Credit card gifts can be made in writing or over the phone.

B. Bank and Investment Accounts

1. "Payable on Death" (POD) or "Transfer on Death" (TOD) accounts name a beneficiary to receive the proceeds upon the account owner's passing.
2. The owner does not have to change his/her will or work with an attorney or accountant. There are no fees to arrange such a gift. The account owner simply completes the beneficiary form provided by the financial institution with HSSC's financial institution information.
3. The account owner retains complete control over the funds or assets in the account while living, and these gifts are completely revocable.

C. U.S. Savings Bonds

1. Although it is not possible to make a lifetime charitable gift of a U.S. Savings Bond without first paying the tax on the interest earned, it does make an excellent asset to bequeath to HSSC because savings bonds generate "income in respect of a decedent." That means if a person dies owning savings bonds, the accumulated interest is taxed before the person's heirs inherit them. However, if bonds are left to an organization like HSSC, that tax is not due.
2. Owners are encouraged to check with their advisors about the best way to bequeath savings bonds to HSSC.

D. Marketable Securities

1. Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached.
  - a. The donor is responsible for contacting his/her financial professional to inform him/her of the desire to transfer shares of securities to HSSC.
  - b. HSSC staff may assist in the gift process by contacting the financial professional to ensure the transaction takes place in as short a time as possible.
2. All marketable securities will be sold promptly upon receipt unless otherwise directed by HSSC's Finance Committee.
3. In some cases, marketable securities may be restricted, for example, by applicable securities laws or the terms in the proposed gift. In such instances, the decision whether to accept the restricted securities shall be made by the Executive Committee.
4. Securities are recorded and valued the date they are deposited in HSSC's account.

#### E. IRA Charitable Distributions

1. As of December 18, 2015, the IRA Charitable Rollover provision was passed by Congress and signed into permanent law by the President. The provision allows taxpayers age 70½ or older to transfer up to \$100,000 annually from their individual retirement account (IRA) or Roth IRA to a nonprofit organization for a qualified charitable distribution.
2. The amount transferred will be excluded from income of the taxpayer for federal income tax purposes.
3. The amount transferred does not generate a charitable tax deduction, but it does count toward the taxpayer's minimum required distribution (RMD).
4. If married, each spouse can transfer up to \$100,000 from his/her IRA annually.

#### F. In-Kind Gifts

1. "In-kind gifts" refers to the donation of goods and services for use by HSSC.
2. The acceptance of in-kind gifts is based upon the relevance to the mission of HSSC and/or the financial benefit to accepting said gift. HSSC reserves the right to decline any in-kind gifts.
3. HSSC is not responsible for picking up or otherwise transporting in-kind gifts.

#### G. Bequests

1. HSSC is pleased to be named as a charitable beneficiary in a donor's will or trust. Donors may make bequest provisions that name HSSC as any of the following:
  - a. Sole beneficiary;
  - b. Beneficiary of a portion of the estate (e.g., 30%, 50%, etc.);
  - c. Beneficiary of the remainder of an estate or a portion of the remainder of an estate after specific needs have been fulfilled;
  - d. Beneficiary of a specific dollar legacy; or
  - e. Contingent beneficiary.
2. Donors can designate their bequest in two ways:
  - a. For the general purposes of the Humane Society of Sarasota County (an unrestricted bequest)
  - b. To be used to support a specific program (a restricted bequest)
3. Sample Language:
  - a. Unrestricted Bequest: "I give and bequeath to the Humane Society of Sarasota County, a not-for-profit corporation, with principal offices presently located at 2331 15th Street, Sarasota, Florida, 34237 (the sum of \$\_\_\_\_) or (\_\_\_\_% of the residue and remainder of my estate) or (property described herein) to be used for the accomplishment of its general purpose (or for a specific purpose as indicated)."

#### H. Beneficiary Designations

1. Donors can name HSSC as the beneficiary of trusts, life insurance policies, commercial annuities, and retirement plans.
2. The easiest way for a donor to donate plan or policy assets is to designate HSSC as a primary beneficiary. Donors can also designate HSSC as the secondary or contingent beneficiary.
3. Donors must contact the administrator of their plan or policy to receive the correct forms to sign.
4. Donors can specify an amount or percentage plan or policy assets to be gifted to HSSC.
5. An alternative is to have assets transferred at death to a charitable remainder trust (see paragraph I below).

#### I. Charitable Remainder Trusts

1. HSSC accepts designation as a charitable beneficiary in both charitable remainder unitrusts (CRUT) and charitable remainder annuity trusts (CRAT).
2. HSSC does not manage trusts for donors.

#### J. Charitable Lead Trusts

1. HSSC accepts the designation as income beneficiary of a charitable lead trust (CLT) but does not manage trusts for donors.
2. Both charitable lead unitrusts (CLUT) and charitable lead annuity trusts (CLAT) are acceptable forms.

### **VI. Gifts Subject to Prior Review**

Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

#### A. Tangible Personal Property

1. The Executive Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations:
  - a. Does the property further the organization's mission?
  - b. Is the property marketable?
  - c. Are there any unacceptable restrictions imposed on the property?
  - d. Are there any carrying costs for the property for which the organization may be responsible?
  - e. Is the title/provenance of the property clear?

#### B. Real Estate

1. All gifts of real estate are subject to review by the Executive Committee. Prior to acceptance of any gift of real estate other than a personal residence, HSSC shall require an appraisal.

2. Criteria for acceptance of gifts of real estate include:
  - a. Is the property useful for the organization's purposes?
  - b. Is the property readily marketable?
  - c. Are there covenants, conditions, restrictions, reservations, easements, encumbrances, or other limitations associated with the property?
  - d. Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
  - e. Does the appraisal indicate that the property is damaged or otherwise requires remediation?
3. Proposed gifts of real or personal property must be evaluated to determine whether the costs to HSSC associated with receiving the gift can be prudently accommodated.

C. Life Insurance

1. HSSC accepts gifts of life insurance where the Humane Society of Sarasota County is named as both beneficiary and irrevocable owner of the insurance policy.
2. The donor must agree to pay, before due, any future premium payments owed on the policy.

D. Other Property and Considerations

1. Special consideration is always given to the nature of any gift and whether it fits within the mission of HSSC prior to acceptance of any property, whether real or personal.
2. Other types of gifts not mentioned in this policy may be acceptable, within reason, for the purpose given and in an amount appropriate for the gift type. The Executive Committee is expected to use fiscally and legally sound rationale for acceptance. This policy serves as a general guideline under such circumstances.

## **VII. Administrative Considerations**

- A. Donors are responsible for obtaining their own appraisals, for tax purposes, of real property or tangible or intangible personal property being given to HSSC, and for any fees or other expenses related to such appraisals.
- B. HSSC retains the right to obtain, at its own expense, its own qualified appraisals of real property or tangible or intangible personal property being offered as a gift.
- C. HSSC will acknowledge receipt of gifts of tangible personal or real property in accordance with federal tax law and will sign any IRS form or other documents necessary for the donor to obtain a tax deduction for such gifts, so long as such acknowledgement does not entail valuing the gift.
- D. Prospective donors shall be responsible for their own legal, accounting, appraisal, transportation, and other fees related to donations to HSSC.