



Colorado Chautauqua Association
Gift Acceptance Policy

Approved by the Board of Directors March 18, 2019

Purpose of Policy

The Colorado Chautauqua Association (the “Association”) solicits gifts from individuals, businesses, foundations and governmental agencies to secure the future growth and mission of the Association. Certain types of gifts, however, pose special issues and risks to the Association and must be reviewed prior to acceptance. This Policy provides guidance as to the types of gifts that can be accepted without review, those that require review by the Gift Acceptance Committee, the Board of Directors (the “Board”) or legal counsel, and those that the Association is not in a position to accept. The Gift Acceptance Committee will be made up of Board and staff members. It also provides guidance as to how gifts should be administered and handled. This Policy applies to all gifts received by the Association for any of its programs or services.

Definition of Gift and Related Terms

Gifts to the Association may come in a variety of forms, including cash, securities, products and services, real property and tangible personal property. Gifts may be *current* or *deferred*. The most common types of deferred gifts are bequests and multi-year-pledges. Gifts received by the Association may be *unrestricted* as to purpose or use, or they may be *restricted* for a particular program or activity to which the funds or resources must be directed. In all cases, a gift is an irrevocable transfer of money or property to the Association.

Standards of Conduct

The Association holds itself to a high standard of ethical conduct and will abide by its conflicts of interest policy in accepting any gift. Staff at all levels of the Association shall adhere to the Model Standards of Practice for the Charitable Gift Planner adopted by the American Council on Gift Annuities and the Partnership for Philanthropic Planning, or similar guidelines.

(http://www.pppnet.org/ethics/model_standards.html)

The Association urges prospective donors to consult with personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

Types of Gifts Accepted

Cash gifts, in any form (e.g., cash, check, money order, wire transfer or credit card), will be accepted without review unless the Executive Director, in his or her judgment, determines that the gift involves special circumstances requiring review by the Gift Acceptance Committee. All checks should be made payable to the Colorado Chautauqua Association. In no event should a check be made payable to an employee, agent or volunteer for the credit of the Association.

Marketable securities, such as publicly traded securities, commercial paper, Treasury bills and other money market instruments, will be accepted without review unless the Executive Director, in his or her judgment, determines that the gift involves special circumstances requiring review by the Gift Acceptance Committee. Such securities may be transferred to an account maintained by the Association at one or more brokerage firms or may be delivered physically with the donor's signature or stock power attached. As a rule, all publicly traded securities and commodities will be sold upon receipt unless otherwise directed by the Gift Acceptance Committee.

In some cases, marketable securities may be restricted by applicable securities laws. The Gift Acceptance Committee will review and approve these types of gifts prior to acceptance, unless the Gift Acceptance Committee determines the matter should be referred to the Board. These securities will be sold at the first available opportunity, unless otherwise directed by the Gift Acceptance Committee.

Non-marketable securities and closely-held business interests, such as debt and equity positions in non-publicly traded companies, and interests in sole proprietorship, partnerships, limited partnerships, limited liability companies and S corporations, will only be accepted upon review and approval of the Gift Acceptance Committee, unless the Gift Acceptance Committee determines the matter should be referred to the Board. In any case, if the gift involves the Association taking on a material obligation, it will be accepted only upon approval by the Board with the Gift Acceptance Committee's recommendation. The Association will not accept any general partnership interest.

The Association will not accept any such security or business interest without evaluating whether the gift:

- has an ascertainable value;
- contains restrictions that would prevent it from being sold or assigned for cash;
- is marketable; and

- will generate any undesirable tax consequences for the Association (e.g. unrelated business taxable income).

If the initial evaluation reveals concerns, the Gift Acceptance Committee may seek further review and recommendation by outside professionals prior to acceptance of the gift. If accepted, every effort will be made to sell security or business interest as quickly as possible.

Real property gifts, including developed property, undeveloped property and gifts subject to a prior life interest, will only be accepted upon recommendation by the Gift Acceptance Committee and approval of the Board. The Association generally will not accept any real estate without following:

- evaluation of whether the property is marketable or could be useful to the Association in carrying out its mission;
- on-site inspection by the Executive Director and/or a member of the Gift Acceptance Committee;
- evaluation of any carrying costs associated with the property (e.g., real estate taxes and insurance);
- review of any restrictions, easements or other limitations to which the property is subject;
- an environmental inspection or audit performed by qualified inspection firm; and
- title search and title policy.

The donor should bear the cost of any appraisal, title policy or environmental inspection or audit. The Gift Acceptance Committee may waive the requirement of an environmental inspection or audit if, after evaluating the environmental history and condition of the property, it determines that it is not warranted (erring on the side of caution). The Association will not accept, under any circumstances, a gift that would expose the Association to expenses related to environmental cleanup or litigation that could result from such acceptance.

Tangible and intangible personal property, including auction items donated for fundraising events, art and collectibles, motor vehicles, copyrights and other intellectual property, may be accepted by the Executive Director without further review unless, in his or her judgment, the gift involves special circumstances requiring review by the Gift Acceptance Committee. In considering whether to accept property, the following criteria will be used:

- the property's relationship to the Association's mission;
- its marketability or potential use in the Association's activities or fundraising;
- any restrictions imposed on the property's use, display or sale;
- its carrying costs and costs of sale; and
- any special reporting requirements imposed by the IRS (in the case of gifts of motor vehicles and intellectual property).

As a rule, the Association will sell all tangible and intangible property that it cannot readily use in its exempt activities or for fundraising as soon as reasonably practical, unless other directed by the Gift Acceptance Committee. Such property will generally not be accepted unless there is reason to believe the property can be used by the Association or easily sold.

A historical object offered for the Association's permanent collection shall be considered for acceptance in accordance with the Association's Collection Management Policy as administered by the Archives Committee of the Board.

The Association does not accept donations of statues, benches, or other tangible items meant to be placed on Association grounds for memorialization or other similar purposes.

Bargain sales are transfers of property partially by gift and partially by sale. The sale component can arise by virtue of the Association assuming debt or an obligation on the property. Bargain sales will be reviewed and accepted in the same manner and using the same criteria applicable under this Policy to outright gifts of the same type of property. In addition, the Association generally will not enter into a bargain sale without an independent appraisal substantiating the value of the property and, if debt is to be incurred or an obligation assumed by the Association, a debt ratio of less than 50% of the appraised market value of the property.

Restricted gifts impose a legal obligation on the Association to use the gift for a particular program or purpose directed by the donor. In order to provide the Association with maximum flexibility in the pursuit of its mission, donors shall typically be encouraged to make unrestricted gifts to the Association. However, restricted gifts may be accepted if they are reviewed by the Gift Acceptance Committee and, in the case of particularly significant restriction, by the Board with the recommendation of the Gift Acceptance Committee, to ensure the restrictions do not hamper the usefulness or desirability of the gift. If a gift is deemed too restrictive to be useful or desirable, the donor will be counseled to remove or modify the restrictions. If no agreement can be reached, the gift will be declined.

Gifts "in memory of" or "in honor of" persons by name will be treated as unrestricted unless the donor requests otherwise.

In-kind gifts of goods and services may be accepted by the Executive Director without further review unless, in his or her judgment, the gift involves special circumstances requiring review by the Gift Acceptance Committee.

Other gifts not discussed above will be reviewed and approved by the Gift Acceptance Committee.

Types of Gifts Not Accepted

The Association reserves the right to refuse any gift that (i) is contrary to the Association's articles of incorporation or bylaws; (ii) would result in the Association losing its 501(c)(3) status; (iii) is too difficult or expensive to administer in relation to its value; (iv) is for a purpose outside the Association's mission; or (v) would result in any unacceptable consequences to the Association. The decision to decline a gift for any reason may occur at any level, i.e., by the Executive Director, by the Gift Acceptance Committee or by the Board.

Legal Counsel

The Association will seek the advice of legal counsel in matters relating to gift acceptance when appropriate. Review by counsel is generally recommended for the following gifts:

- closely held business interests;
- securities subject to restrictions or buy/sell agreements;
- real property, motor vehicles or intellectual property;
- arrangements that require the Association to act in a fiduciary capacity, such as trustee;
- bargain sales or other arrangements that require the Association take on or assume a significant legal or financial obligation;
- gifts of a life insurance policy in which the Association continues to pay the premium for the insured;
- gifts involving a significant use/purpose restriction; and
- other gifts in which use of counsel is deemed appropriate by the Executive Director, the Gift Acceptance Committee, or the Board.

Acknowledging, Reporting and Recognizing Gifts

To provide donors with the supporting documentation needed to claim a charitable contribution for their gift, the Association will provide donors with written acknowledgement of any gift. The Executive Director is responsible for this task. For acknowledgement purposes, the Association will follow the following guidelines:

- ***For cash gifts*** of at least \$250, acknowledgement will include the amount of the gift, the date of receipt, if no goods or services were provided by the Association to the donor in exchange for the gift, a statement to that effect, and if goods or services were provided by the Association, a good faith estimate of the value of such goods or services.
- ***For non-cash gifts***, acknowledgement will include a description of the gift property (*but not an indication as to its value*), the date of receipt, if no goods or services were provided by the Association to the donor in exchange for the gift, a statement to that effect, and if

goods or services were provided by the Association, a good faith estimate of the value of such goods or services.

- ***For quid pro quo gifts of cash or property*** over \$75 in value, which are payments or transfers that are part charitable contribution, part payment for goods or services, acknowledgement will follow the appropriate format listed above, and also will include (i) a statement that the amount of the contribution that is deductible for federal tax purposes is limited to the excess amount of the contribution over the value of the goods or services provided by the organization; and (ii) a good faith estimate of such goods or services.

For reporting purposes, the Association will follow the following guidelines:

- ***Valuation of gifts*** for internal bookkeeping purposes only (*as the Association does not indicate gift value for gift acknowledgement purposes*) will occur as of the date the donor relinquished control of the asset to the Association. The amount reported on the Association's books should be arrived at without regard to the donor's personal estimation of the gift's value, the worth and date of the gift reported by the donor to the IRS, or the value placed on it by the IRS in reference to the individual's personal tax liability. The Association may, but shall not be required to, use the Partnership for Philanthropic Planning Guidelines for Reporting and Counting Gifts ([http://www.pppnet.org/pdf/PPP_counting_guidelines_\(2009\).pdf](http://www.pppnet.org/pdf/PPP_counting_guidelines_(2009).pdf)), IRS Publication 526 Charitable Contributions, IRS Publication 561 Determining the Value of Donated Property, or similar guidelines.
- The ***gift's date*** will be defined as the date the donor irrevocably relinquished control of the property to the Association.
- ***Appraisals*** of property are the responsibility of the donor.
- ***IRS filings*** must be made with respect to certain non-cash gifts. The Association will make all such filings within the specified time frame. Specifically, if a donor makes a gift of property (other than certain publicly traded securities) valued at more than \$5,000, the Association must acknowledge that gift (*but not indicate agreement as to the value of the gift claimed by the donor*) on IRS Form 8283, which the donor is responsible for preparing and filing. If the Association disposes of such property within three years of receipt, the Association is responsible for preparing and filing IRS Form 8282. Special filing requirements also apply for gifts of intellectual property that produce income during any given year (see Form 8899) and gifts of motor vehicles, boats and airplanes valued at more than \$500 (see Form 1098-C).

Suitable recognition for major gifts, including naming opportunities, will be given to donors at the discretion of the Board, subject to relevant guidelines. The Association shall respect the wishes of donors wishing to support the Association anonymously and will take reasonable steps to safeguard those donors' identity, subject to applicable law.

Review of Policy

The Gift Acceptance Committee will review this Policy at least annually and make recommendations as to revisions for the Board's approval.

Adopted by Board of Directors: March 18 2019

Secretary of the Board:

Printed Name: William Briggs

Signature: William Briggs

RESOURCES

IRS Form 8282 and Instructions

IRS Publication 561 (Determining the Value of Donated Property)

IRS Publication 526 (Charitable Contributions)

