



Sisters of St. Joseph of St. Augustine

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Introduction

The Sisters of St. Joseph, Inc. (SSJ) is a 501(c)(3) institution. SSJ's Federal Tax ID # is 59-6016039. SSJ encourages the solicitation and acceptance of all gifts for purposes that will help it further and fulfill its mission.

In order to respect the interests of the Sisters of St. Joseph (hereto referred as: Congregation) and the persons who support its programs, these policies are designed to assure that all gifts to or for the use of the Congregation are structured to provide maximum benefits to both parties. The goal is to encourage funding of the Congregation without encumbering the organization with gifts which may prove to generate more cost than benefit or which are restricted in any manner that is not in keeping with our mission. The authority to accept gifts resides with the Congregation's Gift Acceptance Committee (GAC).

To optimize funding from individuals and organizations, the Congregation must be capable of responding quickly to all gifts offered by prospective donors. It is understood that, except where otherwise, these policies are intended as guidelines and that flexibility must be maintained since some gift situation can be complex; and decisions can only be made after careful consideration of a number of interrelated factors.

These policies and guidelines should in no way be understood as legal or financial advice to donors. All donors are encouraged to seek appropriate professional advice from their legal counsels or financial planning advisors.

I. Gift Acceptance Committee

- a. The GAC shall consist of the following:
 - i. General Superior
 - ii. General Treasurer
- b. Staff – The Director of Mission Advancement shall serve as the lead staff member with the Director of Finance assisting.
- c. The GAC shall exercise responsibilities as outlined in the committee job description and the GAC shall follow policies as outlined in this document.
- d. The GAC may appoint ex-officio members as needed to provide specific expertise.
- e. The GAC serves as the oversight body of all gifts that are received or possibly received by the Congregation as outlined below.

II. Outright Gifts

- a. Cash Gifts
 - i. *Definition* – Gifts in the form of cash and checks.
 - ii. Cash gifts shall be accepted regardless of the donor, has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to the Congregation.
 - iii. Cash gifts of any manner do not require review of GAC.

b. Publicly Traded Securities

- i. *Definition* – A public company or publicly traded company is a company that has permission to offer its registered securities (stock, bonds, etc.) for sale to the general public, typically through a stock exchange, or occasionally a company whose stock is traded over the counter (OTC) via market makers who use non-exchange quotation services. Usually, the securities of a publicly traded company are owned by many investors while the shares of a privately held company are owned by relatively few shareholders. A company with many shareholders is not necessarily a publicly traded company.
- ii. Publicly traded securities or other readily marketable securities shall be accepted by the Congregation unless prohibited by its investment policy. An employee or volunteer of the Congregation can not commit to a donor that a particular security will be held by the Congregation. If the donor wishes the security to be held, and it is not in the Congregation's portfolio, the GAC will make the determination.

c. Closely Held Securities

- i. *Definition* - A corporation for which most of the voting stock is held by a small number of shareholders, but which is still publicly traded.
- ii. Non-publicly traded securities may only be accepted after approval of the GAC.
- iii. Such securities may be subsequently disposed of only with the approval of the GAC.
- iv. No commitments shall be made for the repurchase of such securities by the Congregation prior to completing of a gift of securities.

d. Real Property

- i. *Definition* - Real property (real estate) refers to land and the improvements made by human efforts - buildings, machinery, the acquisition of various property rights, and the like. Real property is also termed realty, real estate, and immovable property.
- ii. No gift of real estate shall be accepted by anyone on behalf of the Congregation without prior approval of the GAC.
- iii. No gift of real estate shall be accepted without first being appraised by a party chosen by the Congregation who shall have no business or other relationship to the donor.
- iv. The GAC must determine that the title is good and marketable. It will be necessary to research any potential environmental issues and an environmental audit may be required.
- v. No commercial real estate shall be accepted by anyone on behalf of the congregation without prior approval of the GAC.
- vi. Real estate shall not be accepted to fund a charitable gift annuity without seeking an opinion as to the permissibility of this action under the laws of the state or states involved and approval by the GAC.
- vii. The Congregation will accept no real estate encumbered by a mortgage.

- e. **Tangible Personal Property**
 - i. *Definition* - Property that has physical substance and can be touched; anything other than real estate or money, including furniture, cars, jewelry, artwork and china.
 - ii. Tangible personal property may be accepted. A qualified appraisal under terms of the Internal Revenue Code governing gifts of such property must be obtained by the Congregation. Such property can only be accepted by the GAC.
 - iii. The Congregation shall accept no personal property unless there is reason to believe the property can be reasonably disposed of. No personal property shall be accepted that obligates the Congregation to ownership for a specified period of time. No perishable property or property which requires special facilities or security to properly safeguard it will be accepted without prior approval of the GAC.
 - iv. Only the GAC may represent to a donor that property will or will not be held by the Congregation for a specific period of time or for purposes related to its tax-exempt status.
 - v. The Congregation shall, as a matter of policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

- f. **Other Property**
 - i. *Definition* – Other property includes items such as mortgages, notes, copyrights, royalties, and easements.
 - ii. Other property shall only be accepted by action of the GAC.
 - iii. Appropriate inquiry shall be made and special consideration shall be given to the nature of any gift property and whether it is in keeping with the mission of the Congregation prior to the acceptance of any property by the Congregation.

III. Deferred Gifts

- a. **Bequests**
 - i. *Definition* – Bequests are defined as gifts given to the Congregation through Wills.
 - ii. The Congregation accepts bequests and also encourages donors to consider such a gift. Any such gift shall meet the criteria set forth by this document.
 - iii. Gifts from the estates of deceased donors, consisting of property that is not acceptable under this document, shall be rejected only by action of the GAC. The legal counsel of the Congregation shall communicate the decision of the GAC to the legal representative of the estate. If there is any indication that the representative of the estate, or any family member of the deceased, is dissatisfied with the decision of the GAC, this fact should be communicated to the GAC as quickly as possible.
 - iv. Attempts shall be made to discover bequest expectancies wherever possible. Intended bequests of property other than cash or marketable securities should be brought to the attention of the GAC and every attempt be made to encourage the donor involved to conform his or her estates plans in accordance to the Congregation's policies.

b. Charitable Remainder Trusts

- i. *Definition* - A charitable remainder trust allows a donor to irrevocably transfer assets into a trust. The trust pays income to the donor or other beneficiaries during their lifetimes, and the remainder goes to a qualified nonprofit. Charitable remainder trusts may be established during a donor's lifetime or at death. The donor usually names a bank or trust company to serve as trustee of the trust. There are two types of charitable remainder trusts:
 1. Annuity Trust - the donor receives a fixed income and he/she cannot make additional contributions to the trust.
 2. Unitrust - this type is flexible in that the donor can make additional contributions to the trust and the payments to the donor can vary.
- ii. The Congregation will not serve as sole or co-trustee of a charitable remainder trust for the benefit of the Congregation.
- iii. The Congregation will not recommend any corporate fiduciary to a donor.
- iv. The fees for management of a charitable remainder trust will not be paid by the Congregation.
- v. No representations shall be made by any employee or persons acting on behalf of the Congregation as to the manner in which charitable remainder trust asset will be managed or invested by a corporate fiduciary.
- vi. Charitable remainder trusts and all other deferred gifts shall be encouraged as a method of making gifts to the Congregation while retaining income which may be needed by the donor or other persons chosen by the donor. Such trusts shall not be marked as tax avoidance devices or as investment vehicles.

c. Pooled Income Funds

- i. *Definition* - A type of mutual fund comprised of gifts that are pooled and invested together. Income from the fund is distributed to both the fund's participants and named beneficiaries according to their share of the fund. The donor and the other income recipients can choose to receive payments for life, and upon their death the value of the assets will be transferred to the beneficiaries.
- ii. The Congregation will not accept pooled income funds.

d. Life Estate Gifts

- i. *Definition* – A life estate is the right to use or occupy real property for one's life. Often this is given to a person (such as a family member) by deed or as a gift under a Will with the idea that another person or organization would then take the property upon the death of the one who receives the life estate.
- ii. Donors shall generally not be encouraged to make gifts of real property to the Congregation under which they maintain a life interest in the property.
- iii. Such gifts may be accepted by approval of the GAC in situation where the asset involved appears to be a minor portion of the donor's wealth, and the committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

e. Gifts of Life Insurance

- i. *Definition* - Life insurance or life assurance is a contract between the policy owner and the insurer, where the insurer agrees to pay a designated beneficiary a sum of money upon the occurrence of the insured individual's or individuals' death or other event, such as terminal illness or critical illness. In return, the policy owner agrees to pay a stipulated amount called a premium at regular intervals or in lump sums.
- ii. The Congregation will encourage donors to name the Congregation to receive all or a portion of the benefits of life insurance policies which they have purchased on their lives.
- iii. The Congregation will not agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life.

IV. **Payment of fees related to gifts to the Congregation**

a. Finder's Fee or Commissions

- i. The Congregation will pay no fee to a person as consideration for directing a gift to the Congregation.
- ii. No finder's fee or commission will be paid to any party in connection with the completion of a gift to the Congregation.

b. Professional Fees

- i. The Congregation will pay reasonable fees for professional services rendered in connection with the completion of a gift to the Congregation.
- ii. Such fees will be paid only after discussion with and approval by the donor.
- iii. Fees shall be reasonable and directly related to the completion of a gift. They shall be limited to appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction, and fees of "fee for service" financial planners. In the case of financial planners, such persons must state in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions which could be construed as triggering securities regulation.
- iv. In the case of legal, accounting and other professional fees, an attempt shall be made by the GAC to ascertain the reasonableness of these fees prior to payment. An hourly breakdown of time should be requested. In cases which appear excessive, the summary of fees shall be submitted to the GAC for review and approval prior to payment.
- v. In cases where the persons receiving fees were initially employed by the donor and the Congregation is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in taxable income to the donor in the amount of the fees paid.
- vi. In situations where advisors retained by the Congregation prepare documents or render advice in any form to the Congregation and/or a donor to the Congregation, it shall be disclosed to the donor that the professional involvement is in the employ of the Congregation and is not acting on behalf of the donor and

that any documents or other advice rendered in the course of the relationship between the Congregation and the donor should be reviewed by legal counsel for the donor prior to the completion of the gift.

V. Restrictions on use and investment of gifts

- a. *Definition* – Restricted gifts are those gifts in which the donor has indicated that the gift is to go to a specific purpose.
- b. Restricted gifts will be accepted by the Congregation.
- c. Gifts donated with restrictions equal to or above \$10,000 will be reviewed by the GAC as to whether the gift will be accepted.
- d. Restricted gifts which do not receive approval of the GAC will not be accepted by the Congregation.