

Policy No. 11

Issued: 07-15-16
Revised: 11-13-24
Reviewed: 11-13-24

SUBJECT: Fundraising/Accepting Gifts

PURPOSE: To govern the acceptance of gifts and provide guidance to donors and their professional advisors in completing gifts.

PRINCIPAL: To allow Woodhaven to receive charitable gifts to support its mission while minimizing the risks associated with accepting donations.

Woodhaven solicits and accepts gifts that are consistent with its mission and that support its core programs and special projects. Donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities without limitations, unless acceptance of gifts from a specific source is inconsistent with Woodhaven's beliefs, values, and mission.

Accountability and Oversight

The Chief Executive Officer and Chief Development Officer is primarily responsible for raising needed funds for Woodhaven. This is accomplished through the creation of an Annual Plan which is approved by the Chief Executive Officer and shared with the Board of Directors, annually. A combination of foundations, business, private donors, churches, and government grants are solicited, cultivated, and stewarded for donations to Woodhaven. This is accomplished by utilizing agency advocates, friends, and various staff, when appropriate. The following Woodhaven staff or advocates participate in the gift process:

- Chief Executive Officer
- Chief Development Officer
- Portfolio Manager
- Outreach and Events Specialist

At times, we will have additional staff part of the gifting process; this includes:

- Communications Manager
- Grant Manager

The Chief Executive Officer and Chief Development Officer is responsible for ensuring that gifts are used in accordance with donor intent.

After gifts receive appropriate written acknowledgement (see "Reporting Requirements"), gifts are entered into Donor Management Software by the Development Department. Each month, the development office reconciles all donations with the accounting department. The Accounting Manager and Chief Financial Officer are consulted as needed to complete the reconciliation.

All financial records, including donations, are audited by an independent CPA firm annually.

Use of Legal Counsel

Woodhaven may seek the advice of legal counsel in matters relating to acceptance of gifts in certain circumstances, including but not limited to:

- Gifts of closely held stocks or securities that are subject to restrictions or buy-sell agreements
- Gifts requiring Woodhaven to assume financial or other obligations
- Transactions with potential conflicts of interest
- Gifts of real estate

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- Transactions governed by contracts or legal documents, except those created through the Christian Church Foundation according to their standard procedures
- Transactions in which staff members or board members believe the use of counsel is appropriate

Woodhaven urges all current and 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. Woodhaven does not provide legal, accounting, or other professional advice.

Restrictions on Gifts

Woodhaven will not accept gifts that:

- would result in Woodhaven losing its status as an IRS 501(c)(3) not-for-profit organization
- are too difficult or expensive to administer in relation to their value
- are for purposes outside Woodhaven's mission
- would result in any unacceptable consequences for Woodhaven

Decisions on the restrictive nature of a questionable gift and its acceptance or refusal shall be made by the Executive Committee of the Board of Directors, in consultation with the Chief Executive Officer and Chief Development Officer.

Donors may choose to designate gifts toward a specific component of Woodhaven's mission. Woodhaven will accept designated gifts and use them according to the donor's intent.

Types of Gifts

Cash. During its regular fundraising activities, Woodhaven will accept donations of cash in any form including check, money order, credit card, electronic transfer or online.

Personal Property. Gifts of tangible personal property will be reviewed by the Chief Executive Officer under advisement by members of the leadership team considering the following:

- Does the property further the organization's mission?
- Does the property fulfill a need in the organization?
- Is the property marketable or usable by the organization?
- Are there any unacceptable restrictions imposed on the property?
- Are there any carrying costs for the property for which the organization may be responsible, including but not limited to transportation costs and repair costs?

These considerations are also applicable to gifts of motor vehicles through Woodhaven's vehicle donation program, especially marketability and carrying costs. In addition, the vehicle program will be administered in compliance with the Missouri Department of Revenue's Wholesale Dealer Licensing policies and IRS procedures found in IRS Forms 8283 and 1098-C.

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Securities. Gifts of marketable securities may be transferred electronically to Woodhaven's brokerage account or delivered physically with the donor's endorsement or signed stock power attached. All marketable securities will be sold promptly upon their receipt unless otherwise directed by the CEO. In cases in which marketable securities are restricted, for example, by applicable securities laws or the terms of the proposed gift, the decision whether to accept the restricted securities will be made by the Executive Committee with advice from legal counsel, except in cases where securities are solicited for restricted projects such as building a house. The decision to accept closely held securities will also be made by the CEO and CDO with advice from legal counsel.

Real Estate. The decision to accept gifts of real estate will be made by the CEO and CDO with advice from legal counsel and Executive Committee. Considerations and terms for accepting a gift of real estate must include the following items to be provided by the potential donor:

- a reasonably current appraisal by an independent appraiser
- disclosure of any limitations or encumbrances on the property
- disclosure of any carrying costs, including but not limited to homeowners' association dues, club membership dues, transfer charges, taxes and insurance
- a copy of any title information in the possession of the donor, such as the most recent survey of the property, title insurance policy and an attorney's title opinion, neighborhood covenants or restrictions
- may require an EPA evaluation or soil tests for site stability

Deferred and Split-Interest Gifts. Woodhaven accepts several types of deferred and split interest gifts through its partnership with the Christian Church Foundation. Donations of Charitable Gift Annuities, Charitable Remainder Unitrusts, Charitable Remainder Annuity Trusts will be accepted according to the agreement set between Woodhaven and the Christian Church Foundation. Woodhaven may also accept income from the above listed gifts given through other charitable organizations where Woodhaven is named as a co-beneficiary.

Testamentary gifts (bequests) are accepted directly by Woodhaven. The preferred language of these gifts is:

I hereby give and bequeath (can insert here a specific amount, all, a percentage or "the remainder of the rest, residue and remainder" of my estate) to Woodhaven, a Missouri not-for-profit corporation, Columbia Missouri, for its general purposes.

Bequests can be designated for a specific purpose, but donors should recognize that the needs, policies, and circumstances of Woodhaven can change in the future and be advised to describe the specific purpose of their gift as broadly as possible.

Donors may also name Woodhaven as beneficiary of their retirement plans or life insurance policies. The beneficiary designation should read, "Woodhaven, a Missouri not-for-profit corporation, Columbia Missouri." Donors who designate Woodhaven a beneficiary in this type of plan or policy are encouraged.

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to provide a copy of the document to Woodhaven. Acceptance of life insurance policies with premium payments due will be determined by the CEO with advice from legal counsel and Executive Committee.

Reporting Requirements

Woodhaven will provide written acknowledgement of gifts in accordance with IRS regulations, which require that the acknowledgement of any single gift greater than \$250 must include whether any goods or services were provided in exchange for the gift and a good faith estimate of the value of these goods or services. Woodhaven will provide written acknowledgement to donors for all gifts, regardless of size, as a sign of appreciation and good stewardship.

Acknowledgements for gifts of property or stock will accurately describe the property or shares donated, but not place a value. In the case of motor vehicle donations Woodhaven will, in accordance with IRS policies stating the organization must inform the donor of the gross sale price of the vehicle when the donor is deducting more than \$500 for the vehicle donation.

Valuation of Gifts and Pledges

Gift pledges are described as voluntary non-exchange transactions that result from agreements entered willingly by two or more parties (i.e., certain grants or private gifts and donations).

Gifts and pledges are normally characterized by:

No contractual requirements are imposed and there are no "deliverables" to the donor. However, the gift may be accompanied by an agreement that restricts the use of the funds to a particular purpose. Gifts are often evidenced by pledge agreements, letters of intent, pledge cards, notations on donor checks and acknowledgement correspondence.

- A gift is typically irrevocable. While the gift may be intended for use within a certain timeframe, there is no specified "period of performance" or "start" or "stop" dates.
- There is no formal fiscal accountability to the donor beyond progress reports and summary reports of expenditures, often thought of as good stewardship.

Contingencies

If the donor makes stipulations that must be met before a gift transaction can occur, such as evidence of intent to purchase a building, then a liability to contribute the gift has not occurred until such conditions are satisfied. No revenue/receivable recognition will be made until the stipulation is satisfied (any payment in advance should be credited as a Deferred Revenue).

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Unconditional gift pledges shall be included in the financial statements. Unconditional gift pledges should be recorded in G/L accounts when the pledge is accepted, is verifiable, measurable and is probable to collect.

When an unconditional gift pledge is received or a conditional gift pledge has been met, the Development Office should communicate this to Disciples Benevolent Services (DBS), which should record the pledge at its net present value, a debit to Gift Pledges Receivable and a credit to Gift Pledge Revenue. When the gift pledge is collected, debit Cash and credit Gift Pledge Receivable.

Gift Pledges extending beyond one year must be properly valued using time value of money techniques. DBS books these multi-year gifts.

Allowance for Doubtful Gifts – Annually the Development Department determines whether any pledges are uncollectible. DBS is then asked to adjust the pledge receivable are offset by corresponding adjustments to the Gift Pledge Revenue account.

The Development Office makes the determination as to what constitutes a gift and a gift pledge. A monthly Gift Reconciliation is prepared listing each gift pledge and reconciling the different gift categories per Donor Perfect to the accounting general ledger.

Gifts and pledges will be recorded in Woodhaven’s books according to generally accepted accounting principles.

Reviewed by: _____ Date: _____
Chief Executive Officer

Approved by: _____ Date: _____
Board of Directors President