



Gift Acceptance Policy

Table of Contents

I.	Purpose of Gift Acceptance Policy	1
II.	Definitions	1
III.	General Policies	2
IV.	Valuation of Gifts	2
V.	Types of Permissible Gifts.	2
VI.	Standards for Declining Gifts.	4
VII.	Gift Restrictions	5
VIII.	Procedures for Processing Gifts	5
IX.	Amendment of the Policy	5

I. Purpose of Gift Acceptance Policy

1. The purpose of the Gift Acceptance Policy (the “Policy”) is to govern the acceptance of gifts offered to the Jewish Social Service Agency (“JSSA”) whose main office is currently located at 200 Wood Hill Road, Rockville, MD. This governance is achieved through the policies and procedures set forth herein.
2. The Policy provides guidance to donors and their advisors with respect to making gifts to JSSA.
3. The Policy is intended to protect the interests of JSSA while encouraging gifts and bequests by donors to JSSA.

II. Definitions

1. **Appraisal** -- A determination of a Gift’s Fair Market Value by a qualified appraiser in accordance with Internal Revenue Code (“IRC”) section 170 and related regulations, or any law or regulation that supersedes these rules.
2. **Gift** -- A voluntary, gratuitous transfer of assets from a person or an organization to JSSA (which term shall include a Planned Gift as hereinafter defined) where in return no goods or services are expected, implied or forthcoming for the donor (except as otherwise provided herein for Planned Gifts). A Gift may be either unrestricted or restricted to a general area of use that contributes for the benefit of JSSA.
3. **Fair Market Value** -- The value assigned to the Gift for tax reporting purposes shall be determined in accordance with Internal Revenue Service (“IRS”) Publication 561 (“What is Fair Market Value”) or any such authoritative document that supersedes or replaces this document. Value assigned to the gift for financial statement reporting purposes shall be determined in accordance with statement of Financial Accounting Standard, #157 (“Fair Value Measurement”), or any such authoritative document that supersedes or replaces this document.
4. **Planned Gift** -- Any gift transfer that is authorized under Article V 7 below.
5. **Readily Marketable Securities** -- Publicly-traded securities that have market quotations readily available as described in IRC Section 170(f)(11)(A)(ii); Treasury Regulation Section 1.170A-13(c)(1) and (7)(xi) (A), as amended.
6. **Non-Readily Marketable Securities** -- Any securities that are not Readily Marketable Securities.
7. **Endowment** – permanently restricted funds established for the benefit of JSSA programs and services. Interest generated from endowment is spent by JSSA for program or services for which it was established. The interest amount is determined each year by the JSSA Investment Committee, approved by the Treasurer of the JSSA Board, the Budget Committee, and the Executive Committee, as part of the annual budget process.

III. General Policies

1. JSSA may accept Gifts for the general benefit of JSSA, including, but not limited to: capital expenditures; renovation of JSSA buildings; equipment purchases; client support and care; general operating expenses; and additions to the Endowment Fund.
2. JSSA shall not pay a finder's fee for any Gift or as a condition to receiving a Gift.
3. The Gift Acceptance Committee (GAC - see Paragraph 5 below) shall have the authority to accept or decline any Gift, other than cash or Readily Marketable Securities.
4. Once the GAC has accepted a Gift, it becomes the property of JSSA, and the donor ceases to have any rights in the Gift assets or their disposition, except for certain permissible interest for transfers noted in Article VII below
5. The GAC is comprised of the following:
 - Senior most representative of the JSSA Development staff or such individual's designee;
 - JSSA Director of Planned Giving;
 - JSSA Chief Financial Officer; and
 - Chair, Planned Giving Committee or the Chair's designee.
6. Neither JSSA nor the GAC provides legal advice on Gift transactions. Accordingly, donors shall be strongly encouraged to have all applicable documentation, as well as any Planned Gift agreements reviewed by their legal and financial advisors.

IV. Valuation of Gifts

1. All Gifts shall be valued on the basis of their Fair Market Value except as otherwise specifically provided herein.
2. JSSA shall not be required to appraise or establish the value of any Gift on behalf of any donor. At the request of the donor, JSSA may assist the donor in finding a suitable professional appraiser.
3. The donor shall be responsible for the cost of any Appraisal, title searches or other actions required establishing Fair Market Value or ownership, unless the GAC determines that JSSA shall bear those costs.

V. Types of Permissible Gifts

1. Cash
2. Readily Marketable Securities
3. Non-Readily Marketable Securities

Gifts of non-readily marketable securities may be accepted provided that the gift is accompanied by an independent valuation providing fair market value at the time of the gift. Further, as generally accepted accounting principles require non-readily marketable securities be re-valued each year, JSSA will only accept a gift of non-readily marketable securities if the fair market value at the time of the gift is equal to or exceeds \$10,000.

4. Real Property

Gifts of real property may be accepted under the following conditions:

- a) All Gifts of real property are required to have an Appraisal, establishing its Fair Market Value. The date of the Appraisal shall be within 60 days of the date of the Gift.
- b) Gifts of real property shall be accompanied by a Phase I environmental audit (at Donor's expense), unless specifically waived by the GAC.
- c) The GAC shall determine the acceptability of mortgaged property on a case-by-case basis.

5. Personal Property

Gifts of personal property (including but not limited to art, equipment and furniture) may be accepted provided the gift is accompanied by an independent valuation providing fair market value at the time of the gift.

6. Unique or Restricted Gifts not covered above

Any such Gifts will be addressed on a case-by-case basis.

7. Planned Gifts

- a) **Charitable Trust (Remainder, Lead)** -- A Charitable Trust shall be subject to the following rules:
 - 1). Donors are strongly encouraged to select a trustee other than JSSA. However, if the donor requests JSSA to act as trustee, JSSA will consider doing so only under the following conditions:
 - (i) the initial funding of the Trust is at least one hundred thousand dollars (\$100,000.00), and
 - (ii) JSSA is a beneficiary of the Trust for at least seventy-five percent (75%) of the remainder. The foregoing requirement under a)1)(ii) shall not apply to a charitable lead trust.
 - 2). Each Trust shall be responsible for its own expenses. Payments will be made in accordance with the terms of the Trust document.
 - 3). Accountings will be provided to beneficiaries in compliance with Internal Revenue Service requirements.
- b) **Bargain Sale** -- The GAC shall evaluate and approve the acceptance of each proposed bargain sale on a case-by-case basis.
- c) **Life Insurance Contracts** -- The GAC may accept a life insurance policy as a Gift from donors after consideration and approval by the GAC.
 - 1). Types of policies may include, but are not limited to the following:

- (a). A whole life or endowment insurance policy;
 - (b). A universal life insurance policy;
 - (c). A variable whole life insurance policy;
 - (d). A variable universal life insurance policy; or
 - (e). A term life insurance policy.
- 2). JSSA will only accept a policy as a gift if the policy is:
- (a). Paid up;
 - (b). Sustainable by accrued and future dividends generated by the policy;
 - (c). In the case of a universal life policy, the cash value will sustain the policy until the maturity date at the guaranteed interest rate, cost of insurance rate and expense rate; or
 - (d). If the donor agrees in writing to make future Gifts to JSSA equal to or exceeding the policy's annual premium until the policy matures or is otherwise disposed of.
- 3). To complete the gift, the policy owner shall execute the appropriate forms from the insurance company transferring ownership of the policy to JSSA and naming JSSA as the beneficiary of the policy.
- 4). The value of the life insurance policy will be determined as of the date the transfer of ownership and change of beneficiary are recorded by the insurance company. For the purposes of determining the value of the Gift, the life insurance policy's value, in most cases, is the interpolated terminal reserve as supplied by the insurance company in which the policy is held.
- (d) **Other Types of Planned Gifts** -- Other types of planned Gifts include remainder interests in property; retirement plan (or IRA) beneficiary designations; bequests; trust distributions; and life insurance beneficiary designations.

VI. Standards for Declining Gifts

The GAC may decline any Gift for one or more of the following reasons:

1. The Gift is subject to conditions that are not consistent with the purposes, values, and objectives of JSSA.
2. The Gift could financially jeopardize JSSA.
3. The Gift or the conditions of the Gift are illegal.
4. JSSA does not have sufficient resources to honor the terms of the Gift, or the Gift will result in an unwarranted or unmanageable expense to JSSA.
5. There are physical or environmental hazards related to the Gift.

6. The Gift could improperly benefit any individual.
7. JSSA is unable to or unwilling to meet donor restrictions.
8. The cost to JSSA of maintaining the Gift or meeting the restrictions placed on the Gift by the donor is excessive.
9. The Gift is inappropriate with respect to the tax-exempt purposes of JSSA.
10. The Gift may result in inappropriate or undesirable publicity.
11. The GAC determines in their discretion that the Gift is not in the best interests of JSSA.

VII. Gift Restrictions

1. Gifts restricted for a specific purpose by the donor will be reserved for that purpose in keeping with the wishes of the donor, provided that the specific purpose is consistent with the priorities, objectives, and financial resources of JSSA. In the event the restricted purpose initially established is no longer valid, JSSA shall have the right to use the funds for a similar or related purpose, if possible. If this is not possible, JSSA may use the funds for any other purpose as it deems appropriate.
2. Income generated by the investment of restricted Gifts shall be considered unrestricted income unless specifically designated as restricted income by the donor.

VIII. Procedures for Processing Gifts

1. Any department or individual affiliated with JSSA should advise JSSA's Development Department of any solicitation, proposal or request for private or public support of JSSA's programs, equipment, capital projects, or endowments.
2. Any cash or non-cash gift, including a gift-in-kind, received by JSSA or any of its departments shall be sent immediately to JSSA's Development Department for appropriate processing, acknowledgment and recognition. Copies of all related correspondence, gift documentation, and a complete description of the Gift, the date received, and the estimated value shall be forwarded to JSSA's Development Department.

IX. Amendment of the Policy

From time to time, the JSSA Board of Directors may amend this Policy.

Approved by the JSSA Planned Giving Committee on June 4, 2013
Approved by JSSA Executive Committee January 2014