

GIFT ACCEPTANCE POLICIES

OF THE

GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION

INTRODUCTION

In order to protect the interest of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION, and the persons and other entities that support its programs, these policies are designed to assure that all gifts to, or for the use of, the GLENDALE SCHOOL DISTRICT EEDUCATION FOUNDATION, are structured to provide maximum benefits to both parties.

This document will focus on both current and deferred gifts, with special emphasis on various types of deferred gifts *and* gifts of non-cash property.

The goal is to encourage funding of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION without encumbering the organization with gifts that may prove to generate more cost than benefits, or which are restricted in a manner that is not in keeping with the mission of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION.

To optimize funding from individuals and other entities, GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. It is understood that except where stated otherwise, these policies are intended as guidelines, and flexibility must be maintained since some gift situations can be complex, and decisions made only after careful consideration of a number of interrelated factors. Therefore, these policies will, in some instances, require that a Gift Acceptance Committee consider the merits of a particular gift.

Any Gift Acceptance Committee shall consist of GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION Board members who are duly appointed for that purpose. Decisions of the Gift Acceptance Committee will be made in the form of recommendations for action by the Foundation Board of Directors.

I. GENERAL PROVISIONS

- A. “Prior approval” shall be defined as those gifts, devises and bequests which require the Gift Acceptance Committee’s review and approval. If the prior is not obtained, the gift, devise or bequest may not be accepted and will not be held in escrow.
- B. “Subsequent approval” shall be defined as those gifts, devises and bequests which require the Gift Acceptance Committee’s review and approval. If the prior approval is not obtained, the gift, devise or bequest may be accepted, pending the subsequent approval of the Gift Acceptance Committee. However, the gift, devise or bequest will be held in escrow pending the review and approval of the Gift Acceptance Committee and may ultimately be rejected.

- C. Gifts in the form of cash and checks shall be accepted regardless of amount, unless as in the case of all gifts, there is a question as to whether the donor is mentally competent to legally transfer the funds as a gift to the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION. In the event that a party with an interest should raise the question as to whether the donor is mentally competent to legally transfer the assets to the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION, the funds will be held in escrow pending a legal determination. The GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION may raise the issue of title and competency of its own accord in order to protect the funds of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION.
- D. The GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION has the authority to reject any gift, devise or bequest.
- E. No personal property shall be accepted by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION unless there is a reason to believe the property can be quickly liquidated. No personal property shall be accepted that obligates the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION to ownership of it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard will be accepted without prior approval of the Gift Acceptance Committee.
- F. Only the Gift Acceptance Committee or persons authorized by the Gift Acceptance Committee to do so may represent to a donor that property will *or* will not be held by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION for specific period of time or for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION will, as a matter of policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.
- G. Appropriate inquiry shall be made and special considerations shall be given to the nature of any gifted property and whether it is in keeping with the mission of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION prior to the acceptance of any property by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION.

II. OUTRIGHT GIFTS

A. CHECKS

- 1. All checks must be made payable to the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION and shall in no event be made payable to an employee, agent or volunteer for the credit of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION.

B. PUBLICLY TRADED SECURITIES

- 1. Securities that are traded on the New York, NASDAQ *or* American Stock Exchanges, or other readily-marketable securities may be accepted by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION. It may be anticipated that such securities

might be sold immediately by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION. In no event shall an employee or volunteer working on behalf of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION commit to a donor that a particular security will be used and held by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION unless authorized to do so by the Executive Director of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION.

C. CLOSELY HELD SECURITIES

1. Non-publicly traded securities may only be accepted after approval of the Gift Acceptance Committee.
2. Such securities may be subsequently disposed of only with the approval of the Gift Acceptance Committee.
3. No commitments shall be made of the repurchase of such securities by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION prior to completion of a gift of securities.

D. REAL PROPERTY

1. No gift of real estate shall be accepted without the prior approval of the Gift Acceptance Committee of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION.
2. No gift of real estate shall be accepted without first being appraised by the party chosen by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION, who shall have no business or other relationship to the donor.
3. In general, residential real estate located within the Glendale School District, with an appraised value equal to *or* greater than the median value of all Glendale School District residential properties will be accepted, unless the Gift Acceptance Committee shall determine that the property is *not* suitable for acceptance as a gift.
4. No commercial real estate shall be accepted by anyone on behalf of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION. No gift of real estate shall be accepted without the prior approval of the Gift Acceptance Committee of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION without subsequent approval of the Gift Acceptance Committee.
5. Real Estate shall not be accepted to fund a charitable gift annuity without the advice of the legal counsel *and* a tax advisor to the permissibility of this action under the laws of the United States, and the State or States involved, and the approval of the Gift Acceptance Committee.

E. TANGIBLE PERSONAL PROPERTY

1. Jewelry, artwork, collections, and other personal property shall *not* be accepted unless the employee, agent, or volunteer working on behalf of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION shall have reason to believe the property has a value in *excess of* \$500.00. Such property can only be accepted by the Gift Acceptance Committee.
2. Notwithstanding the foregoing, if there is a reason to believe personal property has a value of \$500.00 or more, it may be accepted *only* after receipt and review of the Gift Acceptance Committee, or those empowered to act on its behalf, of an appraisal qualified under terms of the Internal Revenue Code governing gifts or property of this type.

F. **OTHER PROPERTY**

1. Any other property not specifically addressed herein, of any description, including—but not limited to—mortgages, notes, copyrights, royalties, easements, whether real or personal, shall be accepted by the action of the Gift Acceptance Committee.

III. **DEFERRED GIFTS**

A. **BEQUESTS**

1. Gifts through wills (bequests) shall be actively encouraged by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION.
2. In the event of inquiry by a prospective legator, representation as to the future acceptability of property proposed to be left to the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION in a will *or* through any other “deferred gift” arrangement shall only be made in accordance with the terms and provisions of this document.
3. Gifts from the estates of deceased donors consisting of property which is *not* acceptable shall be rejected only by action of the Board of Directors. The legal counsel of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION shall expeditiously communicate the decisions of the Foundation Board of Directors to the legal representatives of the estate. If there is any indication that the representatives of the estate *or* any family member of the deceased is *dissatisfied* with the decision of the Foundation Board of Directors, this fact shall be communicated to the Executive Director as quickly as possible.
4. Attempts shall be made to discover bequest expectancies wherever possible in order to reveal situations which might lead to unpleasant donor relations in the future. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Gift Acceptance Committee and every attempt should be made to encourage the donor involved to conform his or her plans to those of the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION.

B. OTHER DEFERRED GIFTS

1. The GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION may become the intended beneficiary of other types of planned giving. It is the policy of the Foundation that it *not* be involved in the establishment, administration or solicitation of the following plans:
 - Charitable Remainder Trusts
 - Pooled Income Funds
 - Charitable Gift Annuities
 - Life Estate Gifts and/or
 - Gifts of Life Insurance

Prospective donors interested in such plans are encouraged to contact professional investment firms, bank trust departments or other qualified officials should they desire to establish planned gifts of this nature.

IV. PAYMENT OF FEES RELATED TO GIFTS TO THE GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION

A. FINDER’S FEES OR COMMISSIONS

1. The GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION will pay *no* person as consideration for directing a gift to the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION. It is understood that such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fee may subject the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION and its management and Board of Directors to federal and state security regulations.

B. PROFESSIONAL FEES

1. GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION may pay fees for professional services rendered in connection with the completion of a gift to the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION. Such fees will be paid *only* with prior written approval of the Gift Acceptance Committee.
2. Such fees may be paid *only* following discussion with *and* approval by the Donor.
3. Fees shall be reasonable, and directly related to the completion of a gift. They shall be limited to:
 - legal fees for the preparation of documents
 - accounting fees incident to the transaction
 - fees for professional appraisals of gift items *and*
 - fees of “fee for service” financial planners

In the case of financial planners, such persons must aver, or verify to be true, in writing that they are compensated only through fees for services rendered and that they are not compensated for the sales of products to clients. This distinction is vital in avoiding the payment of commissions which would be construed as triggering securities regulation.

4. In cases where the person receiving fees were initially employed by the donor and the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION 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.
5. In situations where advisors retained by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION prepare documents or render advice in any form to the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION and/or donor to the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION, it shall be disclosed to the donor that the professional involved is retained by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION 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 GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION and the donor should be reviewed by counsel for the donor prior to the completion of the gift.

V. RESTRICTIONS

A. RESTRICTIONS ON USE AND INVESTMENT OF GIFTS

1. No restrictions on how gifts may be used by the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION will be honored without prior approval of the Gift Acceptance Committee in the case of current gifts or subsequent approval by the Gift Acceptance Committee in the case of gifts received by will or other gift which is effective at death which has not been previously approved by the Gift Acceptance Committee.
 2. A permanent endowment for approved purposes within the Foundation's Endowment Fund may be established with a *minimum* gift of \$10,000.00.
2. The GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION is organized exclusively as a non-profit organization. No part of its net earnings shall inure, or be accepted, to the benefit of any individual. The assets gifted, devised or bequest to the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION shall not be used, by propaganda or otherwise, to attempt to influence legislation and the GLENDALE SCHOOL DISTRICT EDUCATION FOUNDATION shall not participate or intervene in any political campaign on behalf of any candidate for public office. No restriction placed upon the assets of the donor shall be honored which does not comply with the charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1954, as amended (or any subsequent corresponding provisions of the Federal Internal Revenue Law).

Adopted by the Glendale School District Education Foundation:

Date

Richard L. Holes, President

Margaret A. Maddalena, Secretary