



Gift Acceptance Policy

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Board Approved

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Overview

Children's Hospital Foundation urges all 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. The following policies and guidelines govern acceptance of gifts made to Children's Hospital Foundation for the benefit of the operations, programs, or services of Children's Hospital Foundation (the Foundation), Children's Hospital of Richmond at VCU (CHoR), Virginia Commonwealth University Health System (VCUHS), or Virginia Commonwealth University (VCU).

1. With exceptions indicated below, the Foundation receives charitable contributions intended to support the Foundation and CHoR, as well as operations, programs, or services at VCUHS and VCU that relate to the mission of the Foundation or CHoR.
2. The Foundation solicits and accepts gifts that are consistent with the mission, operations, and policies of the Foundation and its beneficiaries.
3. Donations will generally be accepted from individuals, corporations, foundations, and government agencies.
4. In the course of its regular fundraising activities, the Foundation will accept donations of cash, real property, tangible personal property, and stock.
5. Certain types of gifts must be reviewed prior to acceptance due to the special liabilities they may pose for the Foundation. Gifts that may be subject to review include but are not limited to restricted gifts, endowed gifts, planned gifts, IRA distributions, grants from donor-advised funds, unusual gifts, gifts of real property, gifts of tangible personal property, gifts of securities, and gifts involving naming opportunities.
6. The Foundation may elect to offer opportunities for a Charitable Gift Annuity (CGA) as part of a planned giving program. In the event CGAs would be offered, parameters and terms must adhere to prevailing best practices and rates. Under no circumstances will the Foundation offer terms with the potential for negative financial impact on the Foundation.

Because there is the potential for controversy if certain gifts are accepted, the Foundation has adopted this Gift Acceptance Policy, which is informed by the following questions.

Values	Might the acceptance of the gift compromise any of the core values of the Foundation or its beneficiaries?
Compatibility	Is there compatibility between the intent of the donor and the use of the gift?
Public Relations	Might acceptance of the gift damage the reputation of the Foundation or its beneficiaries?
Primary Benefit	Is the primary benefit of the gift to the Foundation and its beneficiaries or to the donor?
Consistency	Is acceptance of the gift consistent with prior practice?
Form of Gift	Is the gift offered in a form that the Foundation or its beneficiaries can use without incurring substantial expense or difficulty?
Effect on Future Giving	Will the gift encourage or discourage future gifts?
Legal Restrictions	Do any legal or regulatory issues limit the Foundation's eligibility to receive the gift?



Gift Acceptance Committee

The Gift Acceptance Committee shall be comprised of the following individuals.

- President and CEO of the Foundation
- Chief Financial Officer of the Foundation
- Chair of the Foundation board
- General Counsel
- Other professional staff or consultants on an as-needed basis, including staff of the Foundation, CHoR, VCUHS, or VCU.

The Gift Acceptance Committee shall review the following types of proposed gifts.

- Gifts requiring unusual funding arrangements or other commitments
- Gifts of intangible or unusual personal property (art, jewelry, collections, etc.)
- Gifts of non-publicly traded securities
- Gifts of partnership interests and other non-traditional investments
- Gifts of real estate (including bargain sales)
- Gifts with special restrictions that may be difficult or costly to administer
- Naming requests not currently offered to potential donors
- Any gifts that are exceptions to existing guidelines

The Gift Acceptance Committee may decline a proposed gift for any reason within its sole discretion. Reasons to decline a proposed gift may include the following:

- The Foundation is not eligible to receive the gift.
- Unusual features of the gift are contrary to the objectives, mission, vision, values, or goals of the Foundation or its beneficiaries.
- The gift could financially or morally jeopardize the Foundation or its beneficiaries.
- The gift or terms of the gift are illegal.
- The Foundation or its beneficiaries may or will be unable to honor the terms of the gift.
- Appropriate fair market value cannot be determined or will result in unwarranted expense to the organization.
- Title to the gift is not clear or marketable.
- There are actual or potential physical or environmental hazards to the Foundation in accepting the gift.
- Accepting or managing the gift would be administratively burdensome or costly.



Restrictions on Gifts

The Foundation will not accept gifts that

- a) would result in violating the Foundation's corporate charter;
- b) would result in the Foundation losing its status as an IRC § 501(c)(3) not-for-profit organization;
- c) are too difficult or too expensive to administer in relation to their value;
- d) would result in any unacceptable consequences for the Foundation or its beneficiaries; or
- e) are for purposes outside the Foundation's mission.

Any gift restrictions accepted by the Foundation will be detailed in the donor's gift or pledge commitment agreement.

Naming Opportunities

Significant gifts may be connected with naming opportunities. Each naming opportunity will be governed by a naming agreement that has been signed by the donor or his/her representatives, the President and CEO of the Foundation, and any pertinent representatives of CHoR, VCUHS, or VCU.

Endowments

The Gift Acceptance Committee shall set a minimum amount for establishing an endowed fund. Each endowed gift will be governed by a gift agreement that has been signed by the donor or his/her representatives, the President and CEO of the Foundation, and any pertinent representatives of CHoR, VCUHS, or VCU.



Documenting Gifts and Pledges

Outright gifts, pledges, or a combination of the two will be credited as long as they are received in writing and comply with all regulatory and legal constraints. Documentation for pledges may be a signed and dated pledge agreement form, a letter of intent, or a letter defining the gift. Pledge agreement forms must detail the purpose of the gift, the payment schedule, and terms for recognition (if applicable).

Recording Pledges

Moves management activities aimed at securing a pledge will be recorded in the fundraising database.

At the discretion of the Prospect Manager assigned to the donor, verbal pledges will be recorded in the fundraising database pending completion of documentation.

Documented pledges will be recorded in the fundraising database.

The President and CEO and Chief Financial Officer will determine criteria for booking pledges in the financial system.

Payments on pledges must conform with all regulatory and legal constraints.



Gifts of Tangible Personal Property (Gifts in Kind)

For the purpose of managing relationships with donors, gifts in kind will be documented in gift records in the fundraising database. Acknowledgement of gifts in kind will comply with IRS regulations and fundraising best practices.

The Gift Acceptance Committee will establish a value threshold for recording gifts in kind in the accounting system.

Acceptance of gifts in kind is dependent upon the ability of the Foundation to

1. Liquidate the items for cash value;
2. Use the items to support fundraising activities (e.g., as door prizes at events); or
3. Distribute the items to CHoR, VCUHS, or VCU.

Employees of the Foundation or its beneficiaries may not benefit in any way through personal use of gifts in kind.

The Foundation may at any time suspend acceptance of gifts in kind or change the parameters for acceptable items to meet immediate needs of the Foundation or its beneficiaries. In general, gifts in kind must be new and not pose a risk to staff or intended end-users. Acceptable and non-acceptable items will be delineated in a separate procedural document conforming with this policy.

Works of Art

Children's Hospital Foundation will not accept art on loan or for exhibit other than through an approved program.

Only unrestricted gifts of art will be accepted. However, the donor may restrict proceeds resulting from the disposition of a gift of art for a particular purpose.

Gifts of art accepted by the Foundation must be accompanied by a qualified appraisal provided by the donor and dated within 60 days of proposed acceptance.

Gifts of art accepted by the Foundation will be disposed either through outright sale or auction.



Donor Recognition and Confidentiality

The Foundation shall publicly recognize donors under fundraising best practices. Donor requests for specific terms of public recognition must be made in writing. For example, donors may elect to

- dictate recognition name(s); or
- request anonymity in general or for specific gifts.

The Foundation shall follow best practices to protect confidentiality of donor information and giving history.

The Foundation will use donor contact information only to promote activities directly benefiting the Foundation or its beneficiaries. The Foundation will not sell, share, exchange or give donor contact information to any other organization.

Crediting Gifts

Gifts to the Foundation may include cash, securities, or real or tangible personal property intended for resale. Guidelines regarding crediting gifts are outlined below.

1. Gifts and pledges should be directed and made payable to "Children's Hospital Foundation" for the donor to receive a tax deduction.
2. Cash gifts will be receipted at face value (less any benefit), regardless of method of payment (e.g., currency, check, credit card, money order, ACH, EFT).
3. Properly documented pledges will be counted at full face value.
4. Publicly traded securities can be accepted as outright gifts or payments toward pledges in accordance with established guidelines. Listed securities will be accounted for at the traded value as of the date of the trade. Generally, securities will be sold immediately upon receipt. Brokerage fees, as well as changes in value of securities after their receipt, are considered costs and do not affect the value credited to the gift. The Foundation will receipt securities under IRS guidelines, citing the number of shares and the name of the stock. Any value cited as a courtesy to the donor shall have no bearing on tax deductibility.
5. The valuation of gifts of closely held securities that are not publicly traded is the responsibility of the donor and such gifts must be accompanied by an independent qualified appraisal paid for by the donor in order to be credited.
6. Gifts of real estate will be credited at the fair market value placed on them by an independent outside appraiser retained by the donor. Generally, gifts of real estate will be liquidated immediately; however, the Gift Acceptance Committee may decide to delay liquidation due to market circumstances or the nature of the gift.

7. The valuation of gifts of tangible personal property that are intended for resale to benefit the Foundation is the responsibility of the donor and such gifts must be accompanied by an independent qualified appraisal in order to be credited. Donors will be informed that they should consult with their accountant or financial advisor regarding current rulings on charitable deductions.
8. Cash gifts received from an organization or corporation to match gifts made by individuals associated with that organization or corporation will be credited to the organization's or corporation's gift record. Matching gifts will be allocated to the same purpose as the donor's original gift unless prohibited by terms of the organization's or corporation's matching gift policies.
9. For Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities, Retirement Plans, and Charitable Remainder and Lead Trusts, donors are encouraged to name the Foundation as the beneficiary when appropriate. To accept gifts of Life Insurance Policies, the Foundation must be named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owed on the policy.
10. Public recognition of a pledge will be subject to terms approved by the donor and recorded in the pledge documentation.

Refund of a Gift

On rare occasion, a donor may request the return of a previously accepted gift. While, per IRS regulations, gifts must be irrevocably given to be recognized as being eligible for a charitable tax-deduction, circumstances may suggest that a return of funds is in the best interest of the Foundation or its beneficiaries, such as in the event of duplicate pledge payment, duplicate gift, or if the gift's purpose cannot be fulfilled. In these cases, the legal donor may request a refund in writing. Donors should be advised that there may be tax consequences as a result of the refund. The Chief Financial Officer and the Advancement Services department should be consulted prior to any communications with a donor about a refund request.