

## **AVIVARA GIFT ACCEPTANCE POLICY**

(Adopted by the Avivara Board of Directors on December 18, 2010)

### **SECTION I. GENERAL PURPOSE AND PRINCIPLES**

#### **1. Purpose**

This policy will guide the staff, volunteers and Board of Directors of **Avivara** when discussing possible gifts with donors and/or their adviser(s). It is intended to establish the process for the acceptance and management of all gifts.

#### **2. Status**

**Avivara** is a 501(c)(3) public charity and non-profit corporation whose mission is to improve the quality of and access to education in Guatemala and to cultivate interconnectedness between the peoples of Guatemala and the United States. All contributions, gifts and bequests made to **Avivara** are tax-deductible to the extent allowed by law.

#### **3. Assisting Donors**

The task of all Avivara volunteers and staff is to inform, guide, or otherwise assist the donor in fulfilling his/her philanthropic wishes, but never to pressure or unduly influence such a decision. All donors are advised to consult their own attorneys and/or tax adviser(s) regarding the various aspects and tax ramifications of their proposed gifts. **Avivara** staff, board or other volunteers should not act as adviser(s) to a donor regarding gift and financial planning, gift restrictions, or other aspects of gift management because of a potential conflict of interest.

#### **4. Receipt of Gifts**

All gifts to **Avivara** shall be recorded and receipted according to the standards recommended by the Better Business Bureau Wise Giving Alliance and Internal Revenue Service regulations.

#### **5. Protection of the Interests of Avivara**

No agreement shall be made between **Avivara** and any individual, agency, company or organization on any matter that would knowingly jeopardize **Avivara's** interests. No volunteer or staff member will execute any agreement, contract or other legal document with any donor that differs from stated **Avivara** policies and procedures without prior and formal approval of the Avivara Board of Directors.

#### **6. General Principles**

All gifts to **Avivara** shall be evaluated and administered within the following guiding principles:

- 6.1. **Avivara** does not provide legal, accounting, tax or other such advice to donors. Each donor is responsible for ensuring their proposed gift meets and furthers their

charitable and financial planning goals. As such, each donor is encouraged to meet with a professional advisor before making any major gift to **Avivara**.

6.2. **Avivara** reserves the right not to accept certain gifts, including:

- ◆ Those which would not be in the best interest of the donor (i.e., ones that might be inappropriate in light of the donor's personal or financial situation)
- ◆ Those that might benefit the donor in certain ways that are not available to others of similar status and interest
- ◆ Those from which Avivara will realize little or no financial gain
- ◆ Those that are offered for purposes inconsistent with Avivara's mission
- ◆ Those which have restrictions that might violate Avivara's ethical standards, operating policies, or require any form of discrimination

6.3. Donations of gifts for unrestricted, general purposes are encouraged because of the flexibility they provide to **Avivara**. Restricted gifts may be accepted as long as they fit within the general program objectives of Avivara.

6.4. **Avivara** shall acknowledge all gifts and donations in a manner that respects and honors the donor.

6.5. In accepting a gift, **Avivara** also accepts the responsibility to the donor to steward that gift properly. This includes administering the gift properly, and providing donors with accurate, timely financial information about how donations have been utilized, usually through the publication of annual reports.

## **SECTION II. GIFT ADMINISTRATION**

### **1. Gifts of Cash (or cash equivalents)**

**1.1. Processing Contributions:** **Avivara** recognizes that the accurate, timely processing of gifts is important to both the donor and to **Avivara**. All efforts are made to coordinate the communication process between Avivara volunteers, executive staff, and board. The Avivara Treasurer and Executive Director jointly assume primary responsibility to ensure that all cash gifts are recorded and acknowledged in a timely and accurate manner.

**1.2. Gift Acknowledgement:** **Avivara** provides gift acknowledgements in accordance with IRS guidelines and the Better Business Bureau Standards for Charitable Accountability, which include:

- a. Timely acknowledgement of receipt of the gift (ideally within 24-48 hours after receipt of the gift.)
- b. Information on how much of a charitable contribution or cash receipt is tax-deductible.
- c. Providing each donor with an annual contribution statement to be used for tax-reporting purposes.

**1.3. Gift Intake:** Any representative of **Avivara** who receives cash, check, credit card information or any other property that is, or may be, a contribution shall immediately notify the Avivara Treasurer of this matter by e-mail, telephone or facsimile and shall then forward such cash, check, other relevant documentation to the Avivara Treasurer.

## **2. Deferred and/or Non-Cash Gifts**

**2.1 Deferred Gifts:** Because of its small size and limited staff resources, Avivara does not generally accept non-cash or deferred gifts that are legally complex, require the services of an outside professional, or require long-term administration or management. Types of non-cash or deferred gifts that Avivara would not be likely to accept include, but are not necessarily limited to: Real estate, artwork, oil and gas interests, partnership interests, bargain sales, charitable remainder trusts, charitable lead trusts and/or charitable gift annuities.

**2.2 In-Kind Contributions:** **Avivara** does accept in-kind non-cash contributions that would otherwise be direct expenses related to its fund-raising, administration or program costs. These could include: airline miles, office equipment, personal property used within a limited time frame for fund-raising purposes (i.e. auction or raffle items), or other items deemed easily and directly usable by the Avivara staff or Board of Directors. Unless special circumstances exist, **Avivara** will use its best efforts to sell or utilize non-cash gifts as soon as possible at the highest value available.

**2.2.1 Determining Value and Cost Basis:** The donor is responsible for determining a non-cash gift's cost basis and value. **Avivara** will provide donors with information on valuing non-cash gifts when such information is available. Generally, **Avivara** will rely on the donor's representation as to the gift value for recognition purposes.

## **3. Date of Gift**

The date of gift (either cash or non-cash) is the date the asset ceases to be in the donor's control and, instead, is within **Avivara's** control. **Avivara** adheres to the rules of gift acceptance required by the Internal Revenue Service. Dates that may be used as the date of gift generally include one of the following:

- ◆ Mail: the postmark date
- ◆ Hand delivery: the date of physical receipt
- ◆ Wire transfer: the date received in the accounts of Avivara, or
- ◆ Journal Entry: the date of recorded transfer into Avivara bank accounts

## **SECTION III. SPECIAL GIFT ISSUES**

### **1. Pledges**

**Avivara** welcomes support in the form of pledges for monthly support of its programs. Pledges should extend no more than three years.

### **2. Bequests**

**Avivara** welcomes bequest intentions. **Avivara** encourages donors to ensure that their family members understand the donor's estate plan or bequest intentions. **Avivara** reserves the right to disclaim a bequest if its terms are contrary to the needs or wishes of **Avivara**. Once it knows of a bequest, **Avivara** will make every effort to protect **Avivara's** interests throughout the probate and/or administration process.

### **3. Gift Agreements (Restrictions)**

**3.1 Avivara** will work with donors and/or their representatives to document donor expectations regarding criteria for the use of restricted gifts. When unusual restrictions are requested, **Avivara** will negotiate alternative language in good faith. In the absence of a formal gift agreement, correspondence with the donor will carry the same weight. The Avivara Board of Directors shall review and approve all unusual requests. Once a gift has been offered and received, its use can be changed only with the express consent of both the donor and **Avivara**.

#### **3.2. Guidelines**

**3.2.1. Preference for Unrestricted Gifts:** Unrestricted gifts provide **Avivara** the greatest flexibility to direct resources where they are most needed at any particular time. For that reason, unrestricted gifts are always preferred.

**3.2.2. Restricted Gifts:** From time to time, a donor will decide to restrict a gift. These guidelines will help Avivara staff in responding to requests by donors to restrict their gifts.

**3.2.2.1. Restriction by Program Area:** When a gift is restricted by program area (not time), it should generally be used within a 12 month period after receipt of the gift. If the gift is not used within that time period, Avivara should contact the donor to possibly redefine the restriction, or to remove the restriction on the unused portion of the gift.

**3.2.2.2. Restriction by Time:** When a gift is restricted by time: i.e., gifts that must be used within a certain time period, the gift should not reasonably exceed the amount that could be spent within the restricted time. If the amount contributed exceeds what can be spent within the allotted time period, arrangements should be made with the donor, if possible, to have any remaining unused part of the gift shifted to being an unrestricted contribution.

### **4. Life Insurance**

**Avivara** will accept gifts of new and existing whole life insurance (no term or non-dividend policies) if the donor or insured designates **Avivara** as the sole owner and irrevocable beneficiary. **Avivara** will not accept gifts of life insurance policies that have a loan against the value without the consent of the Avivara Board of Directors. All policies will provide for waiver of premiums in case of disability. There will be no automatic loan provisions. If the donor does not respond to a premium bill by the due date, **Avivara** retains the right to cash it in for the surrender value. At all times, **Avivara** reserves the right to cash in the policy or retain it as an investment. The policy's fair market value (approximate cash value) is available to the donor as a charitable contribution deduction at the time of contribution.

## **5. Major Gifts to Named Funds or Programs**

A major gift can be used to establish a Named Fund which can be named after the donor, in recognition of another individual, or for a particular interest of the donor. A gift designed to fund a specific program requires consideration of the full budgetary requirements (e.g. salary, benefits, other costs,) to fund that program. Any new program or fund would require approval by the Avivara Board of Directors. The minimum donation required to establish a Named Fund or Programs is \$25,000.

## **6. Gifts Outside These Parameters**

When **Avivara** receives an offer of a gift that is less than \$25,000 and that would require the establishment of a new fund or program, the staff or volunteer who receives the gift offer should discuss the following options with the donor:

- 6.1. Increase the amount of the gift through a multi-year pledge.
- 6.2. Eliminate the designation and make an unrestricted gift, or make a restricted gift to an already established program.
- 6.3. Temporarily restrict the funds to be used over a pre-determined period (not to exceed five years).