



## GIFT ACCEPTANCE POLICY

### Purpose

This investment policy provides Theta Phi Alpha Foundation (the Foundation) with a statement of gift acceptance objectives, defines the responsibilities of Directors and staff, and identifies permissible gifts. This policy also details obligations of the Foundation due to its registration as a 501(c)(3) organization under the Internal Revenue Service guidelines.

### Definition of Gifts

Gifts to Theta Phi Alpha Foundation may be in the form of outright gifts, pledges, or deferred commitments. While the Foundation's gift acceptance policy is intended to provide guidance to donors as well as to the Foundation regarding acceptance of prospective gifts, donors are ultimately responsible for ensuring that the proposed gift furthers their charitable, financial, and estate planning goals. The Foundation does not provide legal, accounting, tax, or other advice to prospective donors. Therefore, each prospective donor is urged to seek the advice of independent legal counsel during the gift planning process.

### Foundation Obligations Regarding Gifts

An important obligation of the Foundation is to record and to acknowledge all gifts received. The Foundation is responsible for issuing acknowledgements for all charitable gifts received by the Foundation.

This policy:

- Ensures that informed decisions are made on the acceptance of gifts and that such gifts are acknowledged in accordance with the requirements of the Internal Revenue codes.
- Ensures that efficient administrative, legal, and accounting practices and procedures are followed.
- Enables accurate reporting and recognition of gifts bestowed upon the Foundation.
- Ensures consistent, equitable relations with donors.

## Accepting Gifts

The Foundation is committed to the following procedures in accepting donations:

1. Designated gifts will be used for the purposes for which they are provided and in support of the Foundation's mission.
2. Undesignated gifts will be used to support the Foundation's mission in ways that the Foundation decides will best serve its priorities.
3. Accountability to donors must be of the highest caliber, through appropriate acknowledgment, and accurate and timely reporting by the relevant Foundation officer. Where appropriate, gift agreements will be recorded between donors and the Foundation and these will be adhered to by the Foundation.
4. All donations will be recorded and acknowledged in accordance with the Policies and Procedures of the Foundation, and rules and regulations set out by the Internal Revenue Service.
5. Recognition of donors will be determined in accordance with the Foundation's Policies. Anonymity will be granted to any donor who makes this request.
6. Certain gifts require the review or approval of the Foundation's Board of Directors. See section "Gifts Requiring Board Approval" for definition.

The Foundation is responsible for ensuring that the Foundation abides by these procedures. Should any Theta Phi Alpha Fraternity member or Foundation donor of the community question the appropriateness of a proposed gift, they may ask for clarification from the Foundation. If the concern persists, they may submit a written appeal to the Chairman for review by the Board of Directors of the Foundation.

## Declining Gifts

A gift may be declined under the following circumstances:

- The gift is designated and fulfilling the donor's expectations would require other resources that are unavailable or inadequate.
- The gift is designated and is intended to support programs or activities peripheral to the mission of the Foundation.
- Acceptance of the gift would limit academic freedom of scholarship recipients.

- The gift could injure the reputation or standing of the Foundation or would generate such controversy as to defeat the educational purpose to be served.

As a matter of principle, the Theta Phi Alpha Foundation will not accept gifts in any of the following practices:

- Gifts that violate federal, state or municipal laws.
- Gifts that require the Foundation to provide special consideration to the donor or designee.
- Gifts that require the Foundation to deviate from its normal promotion and contracting procedures.
- Gifts of alcoholic beverages or weapons.

### **Gifts Requiring Board Approval**

Gifts that require review or approval by the Board of Directors include:

- Initial gifts that create a fund or that create a Fund Agreement.
- Stock in privately owned companies or subchapter S corporations
- Tangible personal property greater in value than \$1,000.
- Deferred gifts
- Gifts of real estate, subject to legal review and marketability analysis

### **Gifts Creating a Fund or Fund Agreement - Endowments**

The minimum gift amount to establish a "named" endowed fund is \$20,000. The purpose or donor's intent of the gifts used to establish new endowment funds must be defined in a written fund agreement or deferred gift instrument signed by the donor, or their appointed representative, and an authorized representative of the Foundation. Standard fund agreements, as approved by legal counsel and Foundation Board of Directors will be used. Any deviation from these standard agreements must receive approval by Foundation legal counsel prior to execution. In most cases, additional gifts may be made to existing funds of the Foundation without restating the original purpose of the gift. All distributions from funds will be made in accordance with the Foundation Mission, Policies and Procedures, as well as federal, state and local tax laws and regulations.

### **Stock in Privately-owned Companies or Subchapter S Corporations**

Gifts of this type may or may not be accepted. Only securities which will not create a liability for the Foundation will be considered. To be accepted, such stocks must have a qualified

appraisal performed by an independent professional appraiser. Prior to approval by the Board, such gifts are reviewed by the Foundation's Chairman and legal counsel.

### **Tangible Personal Property**

The Foundation will consider the acceptance of tangible personal property greater than \$1,000 on a case by case basis. When personal property can be used in the course of the Foundation's business, a donor may receive credit for the appraised value for the gift. In all other cases, the donor's gift value is the historic cost of the gifted items. Items less than \$1,000 must be able to be used in the ordinary course of business, such as contributions to a silent auction, promotional materials, or supplies.

The Foundation will consider the difficulty and expense of selling or using the items, the expertise required to sell the items, issues of storage interim to sale, and the general overall benefit to the Foundation in deciding whether to accept the gift.

### **Deferred Gifts**

The Foundation accepts different types of gifts whose benefits do not fully accrue to the Foundation until some future time (such as the death of the donor or other income beneficiaries, or the expiration of a predetermined period of time), or whose benefits to the Foundation are then followed by the interests of non-charitable beneficiaries. The Foundation requests that all deferred gifts be coordinated through the Board of Directors. All donors contemplating a deferred gift should consult their own financial, legal, and tax advisors.

### **Gifts of Real Property**

Gifts of real property would be considered by the Foundation Board of Directors. The Foundation will consider the difficulty and expense of selling or using the items, the expertise required to sell the items, issues of maintenance or update prior to sale, and the general overall benefit to the Foundation in deciding whether to accept the gift. Prior to approval by the Board, such gifts are reviewed by the Foundation's Chairman and legal counsel.

ADOPTED: April 8, 2011  
REVISED: April 10, 2019