

## Gift Acceptance Policy

2015

### I. Purpose

This gift acceptance policy will provide guidelines to representatives of Minnesota Veterinary Medical Foundation (hereafter as the MVMF) who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to the Minnesota Veterinary Medical Foundation. The policy is a dedication to honoring each donor's desires and to keeping the promise made to each donor.

### II. Definitions

All gifts to the MVMF will fall into one or more of the following categories:

- **Unrestricted Funds** are gifts that are to be used for any purpose and the donor has placed no restrictions on how and when the funds may be used. These funds will be used at the discretion of the MVMF Board in accordance with the policies set forth in the Gift Acceptance Policy. These funds are managed by the MVMF Board. For further instructions concerning the disposition of unrestricted gifts, see Section VII on Page 7 of the Gift Acceptance Policy.
- **Restricted Funds** are gifts that are to be used for specific purposes as set forth by the donor. The donor designates one or more of the following Funds for their gift. The funds are held in restricted accounts until they are spent for the purpose described by the Fund's title. These Funds are managed by the MVMF Board.

- **Designated Funds**

**Named Scholarship or Other Special Funds**  
**Investment Funds**

### III. Gift Acceptance Responsibilities

The MVMF Board will maintain and revise as appropriate policies and guidelines relating to gift and fund acceptance. The MVMF Board accepts gifts that meet the requirements of the Gift Acceptance Policy and periodically reviews the Gift Acceptance Policy.

All gifts will be reported to the MVMF Board. The MVMF Board, by a majority vote, must provide final acceptance for any gift with a value in excess of \$25,000. Written documentation of each gift specifying in detail the donor, the purpose for which the gift is made and restrictions, if any, will be prepared by staff and maintained in the official files of the MVMF.

Any questions, which may arise in the review and acceptance of gifts to Minnesota Veterinary Medical Foundation, will be referred to the MVMF Board.

The MVMF board will assist in develop and monitor a formal policy for recording donor intent.

#### **IV. Review Factors**

The following factors will be considered in determining whether gifts shall be accepted by the MVMF:

- The charitable intent
- The restrictions, if any, placed on the gift
- Economic practicality of administering the gift
- On going maintenance required by the gift
- Consistency with the mission of MVMF

#### **V. Types of Gifts**

In conformance with applicable statutes and regulations governing charitable institutions, gifts to Minnesota Veterinary Medical Foundation may not be directly or indirectly subject to material restrictions or conditions that prevent the MVMF from utilizing the assets or the income derived from them in furtherance of its tax exempt purposes.

##### **Asset Types**

The MVMF will accept gifts in the following form, subject to the conditions described below. In order for the MVMF to provide written substantiation for gifts, the donor will have to provide the name and address of the donor along with the necessary IRS documentation.

- **Cash**

All gifts delivered by check or credit card shall be accepted by the MVMF, regardless of amount.

Checks shall be made out to Minnesota Veterinary Medical Foundation. In no event shall a check be made to an individual who represents the MVMF in any capacity.

- **Securities**

Readily marketable securities, such as those traded on a stock exchange, or government and corporate bonds may be accepted by the MVMF.

For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the date of the gift.

A gift of securities normally would be liquidated immediately. However, if the form or designation of the gift allows the possibility that it will be directed to permanently restricted funds, a decision regarding the liquidation of the securities will be deferred until that determination is made. If the funds are to be directed to permanently restricted funds, the certificates will be given to the Foundation's investment manager. The investment manager will then act on the Foundation Board's decision whether to sell or

hold the securities, which decision will be made in accordance with portfolio considerations.

Securities may be electronically transferred, re-registered in the name of the MVMF or conveyed through use of a stock power form.

Gifts of bonds that require a holding period may be accepted and cashed when the holding period has expired.

Securities that are unacceptable include those that are assessable or create a potential liability, securities that may not be assigned, such as Series A Savings Bonds, and those that have no apparent value. The investment committee will review these.

- **Closely Held Securities**

Non-publicly trade securities may be accepted after consultation with the Gift Review Committee.

Prior to acceptance, the MVMF Board will explore methods and timing of liquidation of the securities through redemption or sale. The MVMF Board will try to determine:

- An estimate of fair market value
- Any restrictions on transfer
- Whether and when an initial public offering might be anticipated

No commitment for repurchase of closely held securities shall be made prior to completion of the gift of securities.

- **Real Estate**

Any gift of real estate must be reviewed by the MVMF Board. In general, the MVMF desires that individuals contribute property directly to the MVMF. The property will then be sold by such process and timing as the MVMF Board dictates.

The donor or donor's estate is normally responsible for obtaining and paying for an appraisal of the property. The appraisal will be conducted by an independent, professional agent.

The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, it must show documented valuation of comparable properties located in the same area.

The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding mortgages, liens, litigation or title disputes.

The MVMF reserves the right to require an environmental assessment or any potential real estate gift.

The property must be transferred to the MVMF prior to any formal offer or contract for sale being made.

The donor or donor's estate may be asked to pay for all or a portion of the following:

- Maintenance costs
- Real estate taxes
- Insurance
- Real estate broker's commission and other costs of sale
- Appraisal costs

For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate or sale price; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commissions and other expenses of sale.

- **Life Insurance**

A gift of a life insurance policy must be referred to the MVMF Board.

If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.

If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy's cash surrender value.

- **Tangible Personal Property**

Any gift of tangible personal property shall be referred to the MVMF Board prior to acceptance.

A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to the MVMF which may be realized either by being sold or by being used in connection with the MVMF's tax exempt purpose.

Depending on the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value. The donor or donor's estate is normally responsible for obtaining and paying for an appraisal of the property.

The MVMF shall adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

## **Asset Types (continued)**

## **Deferred Gifts**

The MVMF encourages deferred gifts in its favor through any of a variety of vehicles:

- Charitable gift annuity (or deferred gift annuity)
- Pooled income fund
- Charitable remainder trust
- Charitable lead trust
- Bequest
- Retained life estate

MVMF, or its agent, should not be designated in a will as a personal representative for a donor's estate. A member of the MVMF staff serving as a personal representative for a member of the staff does so in a personal capacity, and not as an agent of the MVMF.

The MVMF, or its agent, shall not act as trustee of a charitable remainder trust without prior written consent.

When appropriate, the MVMF may invite prospective donors to consider the gift vehicles offered by investment firms or community foundations.

When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned gift related documents, materials, illustrations, letters or other correspondence, the following disclaimer should be included:

**The MVMF strongly urges you to consult with your attorney, financial and/or tax advisor to review and approve this information provided to you without charge or obligation. This information in no way constitutes advice. The MVMF will gladly work with your independent advisors to assist in any way.**

All information obtained from or about donors/prospects shall be held in the strictest confidence by the MVMF, its staff and volunteers. The donor's name, the amount or the conditions of any gift, shall not be published without the express written or oral approval of the donor and/or beneficiary.

## **Deferred Gifts (continued)**

The MVMF will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The MVMF recognizes the right of fair and just remuneration for professional services.

The MVMF Board, upon advice of the MVMF Board, reserves the right to decline any gift that does not further the mission or goals of the MVMF. Also, any gifts that create an administrative burden or cause the MVMF to incur excessive expenses may be declined.

## **Retirement assets**

“Account” type retirement plans, in which a balance accumulates as principal, may be given to the MVMF. These include Individual Retirement Accounts (IRA), 401K, 403B and defined contribution plans.

Methods for giving retirement assets include:

- Naming the MVMF as successor or contingent beneficiary for all or part of the assets upon death of either the retirement asset owner or spouse
- By giving to the MVMF in this manner, the gift passes to the MVMF without a deduction for income taxes.

## **VI. Named Funds**

The MVMF will, normally, establish named scholarship funds, or funds for another purpose as approved by the MVMF Board, as requested by the donor or their family/estate, only for gifts of \$25,000 or more. These “named funds” will become part of the Funds managed by the MVMF Foundation. The use of the income from the fund may be unrestricted or restricted as set forth by the donor or donor’s family. Donors are urged to consult with the MVMF office about these funds before including in your will.

## **VII. Donor Intent**

- **Respect** – Donor intent will be determined for all gifts. Without donor direction, it will be used at the discretion of the MVMF Board. Donor’s wishes will always dictate any action by the MVMF. All donors will be appropriately recognized unless they wish to remain anonymous.
- **Recording** – Each gift will be immediately recognized in the MVMF account records and be invested as appropriate.

## **VIII. Memorials – Gifts given in memory of another individual and are not given from an individual’s personal estate.**

- Unless designated by the donors, memorials shall be designated as Unrestricted Funds and be subject to the policies and procedures set out in the MVMF Gift Acceptance Policy.

## **IX Authority**

- The MVMF Gift Acceptance policy is a policy of the MVMF Board. The Gift Acceptance Policy can only be modified by the MVMF Board.

**September 2015**