

Poway Unified School District Foundation  
POLICY AND PROCEDURE

Gift Acceptance and Solicitation Policies

The Poway Unified School District Foundation (PUSDF) seeks outright gifts and future gift commitments that are consistent with and in furtherance of its mission. The following policies and guidelines govern acceptance of gifts made to PUSDF or for the benefit of any of its programs or schools. These policies also provide guidance to prospective donors and their advisors when making gifts to PUSDF.

- Generally, donations will be accepted from individuals, corporations, Foundations, government entities and other entities, unless acceptance of donations from such sources is inconsistent with PUSDF's beliefs, values or mission.
  - PUSDF will not accept gifts from companies whose products may be harmful to students or from donors whose requests for public recognition are incompatible with our philosophy of appreciation.
- PUSDF will encourage donors to seek advice and counsel from personal legal and financial advisors in matters relating to their gifts and the tax and estate planning consequences of those gifts.
- PUSDF shall create an ad hoc Gift Acceptance Committee to review any gifts that may require further review and due diligence. This committee shall consist of:
  - The Board President
  - The Treasurer
  - Two members of the Executive Committee selected by the Board Chair
  - Such other members as the President deems appropriate
  - Ex-Officio members shall include Poway Unified School District employees that are deemed appropriate by the PUSDF Board and PUSD Superintendent
- Multi-year pledges for major gifts are encouraged, but for no more than three to five years. Donors must complete and sign a gift agreement or pledge commitment letter detailing the purpose of the gift, payment schedule and how they wish their name to appear in donor recognition materials.
- Donors are encouraged to support their areas of interest. PUSDF's priorities include gifts for unrestricted, restricted, capital and endowment purposes.
- For special projects and campaigns, named or commemorative gift opportunities may be made available to each donor in order to represent the donor's investment in PUSDF.
- When gifts with restrictions are accepted, restrictions will be honored and will be detailed in the donor's gift or pledge commitment letter. However, if the restrictions are not consistent with PUSDF's mission or are too difficult to administer, the gift will be refused. All final decisions regarding whether to accept a restricted gift will be left to the Gift Acceptance Committee.
- Donor privacy is paramount and therefore donor information will be confidential and will not be shared.

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- PUSDF may accept gifts from corporations that are the result of marketing and affinity partnerships. Such partnerships will be reviewed by the Development Committee to ensure they are meeting the guidelines set forth in these policies and with the By-laws and other policies of the Foundation.
- PUSDF may refuse gifts of cash, securities, real estate or other items of value if there is reason to believe that such gifts are incompatible with the mission of PUSDF, conflict with its core values or would create an undue financial, administrative or programmatic burden. The staff supporting PUSDF shall refer questionable gifts to the executive committee or board of directors for guidance on a case-by-case basis.
- PUSDF will have e-mail communication only with those who have signed up to receive regular e-mail updates. This includes donors. Simply because a donor has provided an e-mail address, does not automatically enroll them in the e-mail update system. They must agree to receive such information and solicitations by e-mail.

**Use of Legal Counsel**

PUSDF shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Documents naming PUSDF as Trustee
- c. Gifts involving contracts, such as bargain sales or other documents requiring the PUSDF to assume an obligation
- d. Transactions with potential conflict of interest that may invoke IRS sanctions
- e. Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee

Certain gifts must be reviewed prior to acceptance because they may create liabilities or obligations for PUSDF. These gifts include:

***Publicly Traded Securities***

Stocks, bonds and other securities may be accepted only upon approval of the PUSDF Board. All gifts of stocks, bonds and other securities will be sold immediately upon receipt through the PUSDF designated stock broker.

***Closely Held Securities***

Non-publicly traded securities can be accepted subject to the approval of the Gift Acceptance Committee. However, gifts must be reviewed prior to acceptance to verify that:

- 1) There are no restrictions on the security that would prevent PUSDF from ultimately converting the assets to cash;
- 2) The security is marketable; and
- 3) The security will not generate any undesirable tax consequences for PUSDF

Every effort will be made to sell non-marketable securities as quickly as possible.

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**Real Estate**

Gifts of real estate will be reviewed by the PUSDF Gift Acceptance Committee and Board of Directors before acceptance. The donor should be responsible for obtaining and paying for an appraisal of the fair market value and an environmental audit of the property. Prior to presentation to the board or gift acceptance committee, a member of the staff must conduct a visual inspection of the property. If the property is located in a geographically isolated area, a local real estate broker can substitute for a member of the staff in conducting the visual inspection. Property that is encumbered by a mortgage should not be accepted.

**Life Insurance**

PUSDF can accept a life insurance policy as a gift only when the organization is named as the owner and beneficiary of the policy.

**Tangible Personal Property**

Gifts of tangible property should have a use related to PUSDF's tax exempt purposes, and should be marketable. Gifts of jewelry, artwork, collections, equipment and software may be accepted after approval by the Gift Acceptance Committee. Such gifts of tangible personal property defined above shall be used or sold for the benefit of PUSDF. PUSDF must follow all IRS requirements in connection with disposing of gifts of tangible personal property and filing of appropriate tax reporting forms. An authorized appraisal of the contributed property paid for by the donor is required for any gift over \$5,000. The board will have final approval for acceptance of all gifts of personal property.

All other gifts not mentioned here, such as intellectual property, shall be reviewed on a case-by-case basis by the Gift Acceptance Committee to determine whether accepting the gift is appropriate.

**Planned Gifts**

Some donors may find they can support PUSDF at a more substantial level with a planned gift. Mechanisms such as those outlined below shall be reviewed by the Gift Acceptance Committee as well as legal counsel before acceptance. The Gift Annuities and Pooled Income Funds mentioned below may be administered through an alternative entity such as The San Diego Foundation, if appropriate.

**Charitable Gift Annuity** is a contract between PUSDF and the donor paying a guaranteed lifetime income to one or two beneficiaries in return for a gift of cash, securities or real estate. The rate of payout on gift annuities will follow the rates established by the American Council on Gift Annuities. There shall be no more than two beneficiaries. The minimum gift accepted to establish a charitable gift annuity is \$10,000. No income beneficiary shall be younger than 50 years old.

**Deferred Gift Annuity** is tailored to meet the needs of the donor who prefers to receive income at a future date (at least one year after the date of the gift), but who claims a substantial charitable contribution in the year of the gift. The principal value of a charitable deferred gift annuity can be pledged over a period of years prior to when payments are scheduled to begin. The donor will not receive income until the entire pledge is fulfilled. There shall be no more than two beneficiaries. The minimum gift accepted to establish a charitable deferred gift annuity is \$10,000. No income beneficiary shall be younger than 40 years old.

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**Pooled Income Fund** operates much like a mutual fund. Administrative fees shall be paid from the income earned on the pooled income fund. No income beneficiary in the fund shall be younger than 55. No more than two income beneficiaries may be named and the minimum initial contribution amount shall be \$10,000. Additional gifts may be added for amounts beginning at \$1,000.

**Charitable Trusts** are those for which PUSDF does not act as trustee. The administration of such trusts should be performed by a bank trust department or other trustee selected by the donor.

**Charitable Remainder Unitrust** is an individual trust providing annual income to the donor and/or named beneficiaries that can increase or decrease year to year, depending on the valuation of the trust's assets. A unitrust is well suited to a donor seeking income growth though with some downside risk. A net income only unitrust is well suited to donors of real estate.

**Charitable Remainder Annuity Trust** offers the assurance of a fixed dollar income. The donor and/or beneficiary receive annually an amount of dollars fixed irrevocably at the time the gift is established and stated in the trust agreement. The minimum gift is \$100,000.

**Lead Trust** is a trust whose income or "lead" interest is given to PUSDF for a period certain and the remainder interest is given to one or more non-charitable beneficiaries, which can be the donor or his or her family. This gift option offers current income to PUSDF and is a method where assets can be retained by the donor or passed to heirs at a later time.

**Retirement Plan Beneficiary Designation** Donors and supporters may be encouraged to name PUSDF as a beneficiary of their retirement plans. Such designations will not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but not due until a future date, the present value of that gift may be recorded at that time.

**Bequest** is a gift bequeathed to PUSDF in the donor's will. Where possible, PUSDF will request a copy of the portion of the will that applies to the gift to PUSDF.

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**Donation Acceptance Procedures**

When a donation is received the employee tasked with donor data entry shall input gifts into the donor data management system and shall code the gift as to:

- 1) Fund (i.e. program or campaign that it supports)
- 2) Source (i.e. Restricted, Unrestricted, Corporation, Individual, etc.), and
- 3) Gift type (i.e. cash, securities, etc.)

The data entry employee shall ensure that all possible information about the donor is recorded in the data management system.

The data entry employee shall also create a common system for recording check memos so as to enable effective reporting from the database.

With the exception of funds received through affinity and marketing partnerships, only gifts that are philanthropic dollars (i.e. corporate and individual gifts or grants) shall be recorded in the database system. Other earned income, dividends, and similar income shall not be recorded in the donor database.

Gifts entered in the database system will then be uploaded into the accounting software. Philanthropic gifts should NOT be entered into the accounting software without being in the donor database first.

**Donation Acknowledgement Policy and Procedure**

All gifts shall be acknowledged within three business days using the appropriate letter based on level of gift and campaign.

- 1) Gifts of \$249 or less shall receive a letter or preprinted card signed by the Executive Director
- 2) Gifts of \$250 or more shall be acknowledged with the appropriate letter or pre-printed card signed by the Executive Director. The card must contain the appropriate IRS language.
  - a. If no goods or services were received in exchange for the gift, the phrase "No goods or services were received in exchange for your gift. Your gift is tax deductible to the extent allowed by law."
  - b. If a good or service was received, PUSDF shall indicate on the letter the fair market value of the benefit.
- 3) Donors of \$500 or more shall also receive a thank you letter from the Board Chair.
- 4) Donors of \$500-\$999 shall receive a phone call from the highest level Development staff person.
- 5) Donors of \$1,000 or more should receive a phone call from the Executive Director.

When appropriate, Board members shall be assigned thank you calls to make.

Additional Stewardship strategies shall be implemented from time to time. Staff and Board members will assist with these strategies as appropriate.

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**Data Management Procedures**

All those having any contact with the PUSDF shall be recorded in the donor management system. This includes Partners in Education, vendors, donors, sponsors, volunteers, staff, prospective donors, and so on.

PUSDF shall record all known information about these individuals, including name, address, phone, e-mail, relationships, etc. Every effort will be made to maintain complete records.

Anyone meeting with a donor or prospective donor shall record such meeting in the data management software within one week of the meeting. A brief note about the results of the meeting, or important information shall also be recorded.

As few people as possible shall enter donation data into the Donor Management system. Ideally there will be only one staff member responsible for such data entry.

Revised: 12/14/11