

3333 W. Pensacola Street
Building 100 Suite 140
Tallahassee, FL 32304
www.faast.org



850-487-3278
1-888-788-9216
TDD: 1-877-506-2723
Fax: 850-575-4216

Florida Alliance for Assistive Services and Technology, Inc. Policy #16-05

Approved by the Board of Directors, 02/17/2016

Amended by vote of the Executive Committee on 08/23/2016

Gifts and Donations Policy

It is the policy of the Board of the Florida Alliance for Assistive Services and Technology, Inc., (hereinafter "Organization") to offer donors the opportunity to make gifts to the Organization primarily for the benefit and support of the agency programs and facilities of the Organization. It is also the policy of the Organization to actively seek and solicit such gifts to the Organization, and to provide adequate staff and resources in support of the Organization's gift program needs and requirements.

These guidelines provide the parameters within which Organization staff and volunteers shall function in discussing and promoting acceptable gifts from interested prospects. The guidelines also identify procedures and limitations on gifts that are offered to the Organization, for consistent consideration of such gifts in determining their suitability for the Organization. These guidelines are adopted as official policy by the Organization's Board.

GUIDELINE 1 – FUNDRAISING COMMITTEE PROJECT

The Organization's fundraising committee will engage projects to further the Organization's mission and strategic plan. Each Fundraising Committee approved project will have a new and separate banking account created and assigned for recording keeping. Deposits in the newly created account will only be attributed to the campaign it was created to support.

Added on 08/23/2016

GUIDELINE 2 -- PRIORITY OF THE DONOR'S INTEREST

The interest of the donor shall have priority over the interest of the Organization. No program, trust agreement, contract, or commitment may be urged upon any donor or prospective donor to benefit the Organization at the expense of the donor's intent, or which would knowingly jeopardize a donor's interests. Agents or representatives of the Organization must make full disclosure to the donor on all aspects of benefits and liabilities of which they are aware that may reasonably be expected to influence the decision of the donor to make a gift with the Organization.

GUIDELINE 3 -- USE OF LEGAL COUNSEL

- a. The Organization shall seek legal counsel as needed in matters pertaining to its planned gift program and shall execute no planned giving agreement unless and until all relevant documents have been duly reviewed. The use of documents that have received prior review and approval shall be acceptable.
- b. All agreements in which the Organization is the trustee shall follow the format of the specimen agreements approved by the Organization Foundation or the Organization's legal counsel, or shall be otherwise approved by them.
- c. Though the Organization is obligated to provide donors with as much information as possible regarding benefits, limitations, and tax implications of specific gifts or gift arrangements, the Organization shall not be considered to be offering tax or legal advice to donors or prospects. All prospects and donors shall be advised, both orally and in writing, to seek their own legal counsel in matters relating to their gifts, tax, and estate planning. In particular, donors will be informed that the Organization cannot take into consideration the effect or impact that state laws, statutes, or taxes may have upon the suitability of a gift, or upon the terms of an agreement.

GUIDELINE 4 -- AUTHORIZATION FOR NEGOTIATION

- a. Representatives and agents of the Organization, organization executives, and other appropriate organization professionals and volunteers are encouraged to discuss planned giving with prospective donors. However, only persons authorized by the Organization Board may accept and formalize any Organization gift from a donor.
- b. No gift or gift agreement may be accepted by the Organization unless it complies with the requirements of the guidelines herein stated. Any variances must receive prior approval by the Organization's legal counsel and/or Executive Board.

GUIDELINE 5 -- CONFIDENTIAL INFORMATION

All information concerning donors and prospective donors, including names, names of beneficiaries, amount of gift, size of estate, etc., shall be kept in strict confidence by the Organization and its authorized personnel. A donor or, in the case of a testamentary gift or other acceptable circumstances, an executor, beneficiary, or close family member, may grant permission to the Organization to publicly announce or recognize a gift.

GUIDELINE 6 -- ACCEPTABLE GIFT ASSETS

The following assets may be deemed acceptable as outright gifts to the Organization. Acceptance and suitability of any such property used to fund a charitable trust or income arrangement is discussed herein in Guideline 6. Acceptable assets include:

- a. Cash
- b. Securities
 1. *Publicly Traded Stocks and Bonds* -- may be accepted at fair market value of the stock on the day the gift is received by the Organization, as determined under IRS rules.

2. *Stock in a Closely Held Corporation* -- may be accepted if a valuation has been made by a recent and reliable appraisal acceptable to the Organization and as described in Guideline 6 herein. The Organization recognizes the difficulties that may arise with such gifts, and will give special attention in the preparation of gift proposals and agreements to any issues relating to restrictions on excess business holdings, restricted or controlled stock, potential redemptions, pending corporate liquidations, and capital gains treatment upon sale or maturity.

c. Real Estate

1. The Organization may accept gifts of real property at fair market value if, at the time of the gift, there are no outstanding mortgages, tax liens, or other encumbrances upon the land. Such value shall be established by at least one recent, reliable, and qualified appraisal acceptable to the Organization.
2. If any encumbrances are present at the time the gift is offered, and such encumbrances represent a nominal amount when compared with the total value of the property, such property may be accepted with the approval of the Organization Board. How the encumbrance will be removed, and by whom, shall be agreed upon by the Organization and the donor in writing prior to acceptance of such property.
3. No gift of real property may be accepted by the Organization unless and until such property has been personally visited by a designated Board member, Organization staff member, or appropriate agent or designee of the Organization (e.g., an Organization employee or recommended real estate agent). In addition, a written analysis of the marketability and potential use of the gift property shall be prepared by the Organization prior to acceptance of the property.
4. No gift of real property may be accepted until a preliminary environmental evaluation, questionnaire, or disclosure statement has been completed or made available for the property in question. This should include a recent Phase I Environmental Site Assessment prepared by an assessor suitable to the Organization. In the event that this evaluation or Phase I assessment discloses any information indicating the presence or reasonable possibility of toxic materials, hazardous waste, oil seepage, or other contaminants on the property, additional environmental studies and phase assessments must be completed before the gift is accepted.
5. Arrangements to cover post-transfer expenses should be agreed upon in writing by the donor and the Organization prior to the gift. Such expenses include taxes and assessments, insurance, and maintenance costs of the land or any buildings on the land.
6. Tax benefits previously derived by the donor from the gift property, as well as a reasonable estimate of the net value of a real estate gift, shall be taken into consideration when offering and discussing gift proposals, especially involving charitable or split interest trusts funded with real estate.
7. Any tangible personal property associated with real property gifts, such as furnishings for a home or ranch, should be segregated into separate gift proposals or agreements.

d. Oil and Gas Properties

1. Acceptable by the Organization if in the form of a royalty interest. Working interests and limited partnership interests will not be accepted.

e. Life Insurance

1. The Organization may only accept gifts of a life insurance policy if the Organization is irrevocably named as owner and beneficiary of the policy, with all incidents of ownership intact in the policy. Gifts of paid-up policies are preferred. If a policy is accepted that is not paid up, the Organization is under no obligation to continue premium payments, but may do so if it is found to be in the best interest of the Organization.

f. Tangible Personal Property/Gifts in Kind

1. Gifts of tangible personal property, or gifts in kind, including but not limited to cars, boats, art, stamp/coin collections, equipment, inventory, etc., may be accepted if there are no significant restrictions, limitations, or unreimbursed additional expenses for their present or future use, display, maintenance, transfer, sale, insurance, storage, or other fees and costs. In particular, donors may not require the Organization to hold any property of any kind for a minimum or specified period of time prior to sale or disposition.
2. Such gifts are normally not accepted if there is a condition, understanding, or expectation that the items will be loaned or sold back to the donor or the donor's family or designee. The Organization will presumptively sell all tangible personal property it receives, unless specifically needed for use or consumption related to its charitable purposes, and such sales shall be to disinterested third parties.
3. Any gift of tangible personal property, the Organization will provide all donors or prospects written guidance on possible related or unrelated use of the gift property, and IRS Form 8283 and its accompanying instructions. This shall be provided only for the convenience and general information of the donor on the reporting and tax issues relevant to such gifts.
4. For inclusion in the accounting software, FFAST will determine a Fair Market Value (FMV) for **ONLY** items donated under this section. This information **WILL NOT** be provided to the donor and will only be for internal use.

g. Other Acceptable Gift Assets

1. Upon consideration prior to acceptance, the Organization Board may accept gifts to the Organization of other types of assets not herein specified or discussed. All appropriate liability and cost/benefit issues related to the gift or gift property shall, as usual, be considered.

GUIDELINE 7 -- APPRAISALS FOR ORGANIZATION GIFTS

The Organization will not be responsible for furnishing a donor with property appraisals or valuations for gifts to the Organization. The Organization also will not, under any circumstances, participate in a transaction in which the value of a gift is known to have been significantly inflated above its true fair market value to obtain a tax advantage for a donor.

It is the intention of the Organization to follow the requirements and guidelines set out, and from time to time amended, by the Internal Revenue Code related to qualified appraisals and appraisers and gift reporting. Proper receipts will be provided to each donor in a timely manner, and appropriate reporting forms will be used for all property sold by the Organization within two years of the date of contribution.

GUIDELINE 8 -- GIFTS AND SPECIFIC ACCEPTANCE CRITERIA

In considering the acceptance of any gift and its value to the Organization, the following factors must be taken into account:

- a. The nature of the assets contributed;
- b. Total return on investment of the gift assets;
- c. The length of the management or trust period; and
- d. Factors that cannot be controlled by the Organization, but are subject to estimate such as investment performance, life expectancy, etc.

Donors and Organization representatives should consider as controlling all restrictions and minimums on the following types of gifts. Gifts may vary from these guidelines in certain circumstances, where permitted by law, but must receive prior approval from the Organization Board, if it is determined that such variance is to the advantage of both the Organization and the donor.

It is the intention of the Organization to sell all gifts it accepts, as soon as reasonably prudent and in the sole discretion of the Organization trustee, and to reinvest the proceeds from those gifts in keeping with its recommended investment guidelines and portfolio mix.

a. Outright Gifts

No minimum is required, except for gifts of real estate which require a minimum appraised fair market value before they may be accepted by the Organization. Donors may not retain any significant rights or benefits in any property or asset offered to the Organization, except as herein described in Guideline 7 (e) and (f).

Gifts for a specific purpose will not be segregated or designated as a separate cost center within the Organization, unless the Organization believes it is in its best interest to create segregated accounting for the gift.

b. Charitable Remainder Unitrusts

As a general rule, because of staffing limitations, the Organization would prefer not to serve as trustee for charitable remainder trusts. We encourage donors to either use a bank or trust company of their choice, or the National Foundation (if the unitrust meets its required guidelines). However, the Organization would serve as trustee if this was an important aspect of the gift for the donor.

If the Organization were to serve as trustee, the minimum initial gift to fund the charitable remainder unitrust shall be cash or marketable securities with a face value of at least \$50,000. For a unitrust funded with real property or other assets (as approved by the Organization) the minimum initial gift shall be \$50,000.

Subsequent additions to a unitrust may be made at any time. The percentage to be paid by the unitrust to the donor or to donor's designee(s) shall represent no less than 5 percent each year of the value of the trust assets, as revalued annually. The maximum unitrust payment may not exceed the IRS guidelines requiring that a minimum of 10 percent of the trust's value must be available for charitable benefit at the end of the trust. Payments shall be made quarterly to all trust beneficiaries.

The Organization may accept unitrusts a) that last for no more than two measuring lives, b) for a selected term of years with a term of no longer than 20 years, or c) an appropriate combination of both. For a one- or two-life unitrust, all income beneficiaries must be at least 50 years of age at the time the trust is created. For a term of years unitrust, there is no minimum age for beneficiaries. The Organization will not accept unitrusts funded with gifts of tangible personal property or gifts in kind.

c. Charitable Remainder Annuity Trusts

As with unitrusts, because of staffing limitations, the Organization would prefer not to serve as trustee for charitable remainder annuity trusts. We encourage donors to either use a bank or trust company of their choice (if the annuity trust meets its required guidelines). However, the Organization would serve as trustee if this was an important aspect of the gift for the donor.

The minimum initial gift to fund a charitable remainder annuity trust shall be cash or marketable securities with a face value of at least \$50,000. No additions to the annuity trust may be made at any time. The initial annuity amount to be paid annually by the annuity trust, to the donor or to donor's designee, shall represent not less than 5 percent of the trust assets. The maximum annuity payment may not exceed the IRS guidelines requiring that a minimum of 10 percent of the trust's value must be available for charitable benefit at the end of the trust. Payments shall be made quarterly to all beneficiaries.

The Organization may accept annuity trusts that a) last for no more than two measuring lives, b) for a selected term of years if such term is no longer than 20 years, or c) for an appropriate combination of both. For a one- or two-life annuity trust, all income beneficiaries must be at least 50 years of age at the time the trust is created. For a term of years annuity trust, there is no minimum age for beneficiaries. The Organization will not accept any annuity trusts that are funded with gifts of tangible personal property, gifts in kind, real property, closely held stock, or other property that the Organization deems potentially difficult to sell in a timely manner.

d. Charitable Lead Trust

As with remainder trusts, because of staffing limitations, the Organization would prefer not to serve as trustee for charitable lead trusts. We encourage donors to either use a bank or trust company of their choice, or the National Foundation (if the lead trust meets its required guidelines). However, the Organization would serve as trustee if this was an important aspect of the gift for the donor.

The minimum initial gift to fund a charitable lead trust (either a lead unitrust or a lead annuity trust) shall be cash or marketable securities with a face value of at least \$50,000. For a lead unitrust funded with real property or other assets (as approved) the minimum initial gift shall be \$50,000. Subsequent additions to the lead unitrust may be made at any time.

The Organization will not accept lead unitrusts funded with gifts of tangible personal property or gifts in kind. Also, the Organization will not accept any lead annuity trusts funded with gifts of tangible personal property, gifts in kind, real property, closely held stock, or other property that the Organization deems potentially difficult to sell in a timely manner. No additions are permitted to a lead annuity trust.

The percentage to be paid annually by the lead trust to the Organization, shall represent no less than 5 percent each year of the value of the trust assets, as revalued annually. There is no maximum annual payout rate. Payments shall be made quarterly to all lead trust beneficiaries.

The Organization may accept lead trusts of any length or term.

e. Bargain Sales, Gift/Sales, and Undivided Interests

The Organization is authorized to enter into a bargain sale with donors, to purchase property of an appropriate nature at less than its fair market value. While each proposed bargain sale gift must be considered on an individual basis, it is the policy of the Organization to purchase such property for no more than 50 percent of its established or appraised value. The property must have a minimum fair market value of \$50,000 at the time the gift is made. The Organization may only expend or commit its unrestricted fund assets for any bargain sale transaction.

The Organization is also authorized to enter into gift/sale transactions (where a donor contributes an undivided interest in property to the Organization prior to, and in anticipation of, a subsequent sale of the property). It is the policy of the Organization to accept undivided interests of no less than 25 percent of the total established or appraised value of the property. The Organization shall recommend to such donors that they discuss with their own advisers the possible tax implications for prearranged sale contracts or agreements entered into, prior to a charitable gift of that property.

Appropriate safeguards shall be taken with respect to any bargain sales, gift/sales, or undivided interests offered to the Organization involving real estate, and all procedures as described in Guideline 5(c) herein shall be followed for such gifts.

f. Life Estate Agreements

The Organization may enter into a life estate agreement on homes, vacation homes, farms, ranches, or other real property interests that the Organization deems suitable, beneficial, or advisable for use or investment by the Organization. The minimum fair market value of the property must be \$100,000 at the time of the gift, and the minimum age for any measuring life on a life interest will be 60 years of age at the time of the gift. Under no circumstances will a life estate agreement be entered into for more than two measuring lifetimes.

Prior to acceptance of any life estate agreement, the guidelines and restrictions on real estate gifts in general, as described in Guideline 5 (c) herein, shall be followed by the Organization. No life estate agreement shall be entered into in exchange for any annual income or annuity amount payable by the Organization.

g. Testamentary Gifts

The Organization may accept any gifts approved by these Guidelines if offered to the Organization through bequests, will substitutes, or testamentary trusts and instruments. Such gifts will be subject to

the same guidelines and restrictions as if the gift had been made to the Organization during the donor's lifetime. The Organization may disclaim any bequest or testamentary gift if determined by the Organization Board to be in the best interests of the Organization to do so.

h. Revocable Trusts

The Organization may accept or serve as trustee on trusts subject to amendment or revocation by the donor. Such trust must, however, be established by a donor who has, in the past, demonstrated significant support of the Organization either in contributions of service or financial gifts. Revocable trusts are subject to the same minimums and restrictions as described herein for irrevocable gifts and trusts of similar nature.

i. Gift Annuities/Pooled Income Fund Gifts

The Organization will not accept gifts in exchange for a gift annuity or pooled income fund payment from the Organization.

GUIDELINE 9 -- FINAL DISPOSITION OF PLANNED GIFT FUNDS

Upon the death of the surviving beneficiary, or termination, of a gift agreement, the assets and any accruals derived therefrom shall be paid to the Organization for its general purposes or specific purposes, unless otherwise restricted by the donor and stated in the gift agreement. It is the policy of the Organization to direct all gifts received for general purposes to the Organization for discretionary use. All gifts that are donor-restricted shall be directed to the appropriate restricted or endowment funds, for such uses as are consistent with the donor's restriction or request.

GUIDELINE 10 -- INVESTMENT OF FUNDS, PHILOSOPHY, DUTIES AND RESPONSIBILITIES

Guidelines related to investment of Organization funds, investment strategies, philosophies, asset allocations, duties, and responsibilities may be set out in a separate document, as drafted and duly adopted from time to time by the Organization investment committee and/or endowment committee, and the Organization Board.

GUIDELINE 11 -- AMENDMENT OF POLICIES AND GUIDELINES

All gift acceptance policies of the Organization are subject to amendment, upon appropriate resolution and vote by the Organization Board. However, such amendments may not be used to defeat or infringe upon the rights or expectations of any donor who may have made a gift, or entered into a gift agreement, prior to such amendment.

Description

This instruction outlines the procedures to follow when FFAST receives donations characterized as Tangible Personal Property/Gift In-Kind.

Policies

- A. FFAST will document all donations characterized as Tangible Personal Property/Gift In-Kind in order to be compliant with the Florida Department of Agriculture and Consumer/Division of Consumer Services as specified in form CH8581, and the Internal Revenue Service Form 8283.

- B. All accepted donations will adhere to the following dispositions:
 - 1. If appropriate, Tangible Personal Property could be added to the FFAST inventory.
 - 2. If the donated items are not needed for the Organization to complete its Mission, donated items could be sold on the FFAST Device Exchange. System
 - 3. If the donated items are not needed for the Organization to complete its Mission, donated items could be listed on the FFAST Device Exchange and provided to consumers of assistive technology free-of charge.
 - 4. If the donated items are not needed for the Organization to complete its Mission and not sold or listed on the FFAST Device Exchange, items can be used for the purpose of refurbishment and repair of other items in the Organization's inventory.
- C. Volunteer time will be recorded as a contribution to the Organization by using the following methodology. If FFAST has to typically purchase the service then it will be considered a contribution and recorded as a donation using the similar steps outlined below.
- D. Discounts and Rebates will be considered a contribution as follows:
 - 1. If a company in the course of doing business typically provides a discount to a nonprofit organization, FFAST cannot record goods and/or services received as a contribution.
 - 2. If the company does not typically offer a discount to a nonprofit organization, but offers FFAST discount on goods, then the Organization is allowed to record this transaction as contribution.
- E. In all matters FFAST retains ownership of goods.
- F. All matches designated in request for proposal invitation to bid, and negotiated contracts will not be included on the Organizations profit and loss statement or its balance sheet. These funds will be accounted for in the FFAST return on investment report provided to the FFAST Finance Committee.

Responsibilities

Director of Communications

- 1 Will document and coordinate all donations of Tangible Personal Property/Gift In-Kind contributions.

Executive Director

- 1 Contract with a qualified certified public accountant to meet applicable audit requirements.
- 2 Oversee all donations.
- 3 Ensure all donations are properly accounted for as directed by this policy.

FFAST Account

- 1 Will ensure proper entry of all donations and contributions in the Organization's accounting system.

Procedures for Documentation of Tangible Personal Property/Gift In-Kind

- 1. The Director of Communications will inspect equipment to determine if donation is appropriate for acceptance.

2. The Director of Communications will accept equipment and provide a donation letter, a copy of the Florida Department of Agriculture and Consumer Services/Division of Consumer Services Form CH 8581, and IRS Form 8283 at the time of acceptance.
3. At no time, will the Organization provide a donor any market value estimates or statements.
4. The Director of Communications will clean and sanitize donated equipment per industry standards.
5. The Director of Communications will develop a donation folder for the donated items. The donation folder will include the following:
 - a. A picture of donated items along with brief descriptions.
 - b. Documentation to determine Fair Market Value (FMV).
 - c. Documentation for determining three of Observable Market Value Datasets.
6. The Director of Communications will determine the FMV by using observable market datasets (i.e. eBay, Craig's List, Amazon, and similar online market places).
 - a. The Director of Communications will get three FMV estimates.
 - b. The Director of Communications will average all three estimates.
 - c. The average will be the FMV presented to the FFAST Finance Committee
7. The Director of Communications will send to the Donation Folder to the FFAST Treasurer and the staff liaison for review and inclusion in the next FFAST Finance Committee Meeting.
8. The FFAST Finance Committee will vote to include donation in the FFAST accounting system.
 - a. If approved, the Finance Committee staff liaison will forward the donation folder to the FFAST Accountant for inclusion in the FFAST accounting system.
 - b. If not disapproved, the donation will not be recorded in the FFAST accounting system.
 - c. Please note, this vote is not to accept the donation. The determination of accepting donations is the first step in the process and the responsibility of the Director of Communications.
9. After the FFAST Accountant has entered all information in the FFAST accounting system, the FFAST Accountant will forward all documentation of the donation to the FFAST Executive Director for review.