

# CRAFT A DYNAMIC GIFT ACCEPTANCE POLICY

Creating your gift acceptance policy should be a collaborative process involving the development staff, finance staff, senior leadership, the board and in-house legal counsel. While recognizing that accepting a gift is at the discretion of the nonprofit, the gift must serve a purpose and support your nonprofit's mission.

Start with something simple, broad and brief. For example:

Nonprofit XYZ solicits and accepts gifts that are consistent with its mission. Donations will generally be accepted without limitations. In the course of its regular fundraising activities, Nonprofit XYZ will accept donations of cash, real property, personal property, publicly traded securities, and in-kind services. Certain types of gifts must be reviewed prior to acceptance due to the liabilities they may pose for Nonprofit XYZ. Examples of gifts which will be subject to review include gifts of real property, gifts of personal property, and gifts of publicly traded securities.

A dynamic gift acceptance policy changes over time and anticipates potential issues. For example, best practices, new laws, new programs, revised procedures and changing donor demographics will prompt revisions. The policy should evolve to be as reasonable and specific as needed, clearly stating what will be accepted, what will not or what will be subject to review prior to acceptance.

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Prior to your next fundraising, planned giving or endowment building program, make sure you have a *dynamic* gift acceptance policy in place that:

- Promotes giving while protecting your mission
- Coordinates all forms of giving — annual, major, endowed or planned
- Guides board and staff members
- Safeguards against accepting gifts with unwanted liabilities
- Defines roles and responsibilities
- Helps manage the donors' expectations
- Prevents conflicts of interest
- Avoids misunderstandings

### WHAT YOUR POLICY *SHOULD* DO

- Define your mission statement
- Define the types of gifts your organization accepts
- Define the criteria that governs the acceptance of each gift type
- Defines the criteria that governs the acceptance of each gift
- Assign gift acceptance oversight authority to (VP for advancement or director of development, for example)
- Establish a gift acceptance committee to review complex gifts
- Allow the acceptance of unrestricted gifts
- Decline gifts that are too restrictive, too difficult to administer or outside your nonprofit's mission
- Authorize your nonprofit to be appointed as trustee, executor or fiduciary
- Encourage donors to seek independent counsel regarding their gift's tax and estate planning consequences
- Acknowledge donor, protect donor confidentiality and honor requests for anonymity
- Outline gift acknowledgement forms and procedures
- Require periodic review
- Hold development staff to the [Model Standards of Practice for the Charitable Gift Planner](#)

### WHAT IS INVOLVED IN THE DRAFTING PHASE?

- Create a working group of staff members and advisors familiar with the gift acceptance process and knowledgeable about gifting's technical aspects
- Inform the board the process of developing a gift acceptance policy has been initiated and of the group's objectives
- Review other nonprofits' policies, tailoring relevant content to your organization's unique objectives
- Start with what is needed and amend as appropriate to reflect best practices, new laws and new programs
- Provide a proposed policy statement to the board and provide a presentation about the development process and key policy points

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### Key Components

- Mission Statement
- Purpose of the Policy and Guidelines
- Use of Legal Counsel
- Conflicts of Interest
- Restricted Gifts
- Gift Acceptance Committee
- Types of Gifts
  - Identifies gifts that are acceptable
  - Establishes criteria that governs the acceptance of each gift form
- Reporting Requirements
- Monitoring

**WHEN SHOULD A GIFT ACCEPTANCE POLICY BE PREPARED?  
UPDATED? REVIEWED?**

- Prepare prior to your next fundraising, planned giving or endowment-building program
- Update when implementing new gift techniques
- Review and update for a capital campaign
- Update to allow for the graceful “no” to inappropriate gifts
- Update with new laws and changing donor demographics
- Review annually

**HOW SHOULD YOU CIRCULATE A GIFT ACCEPTANCE POLICY?**

- Post the policy on your organization’s website
- Provide donors and their advisors with print version
- Feature in staff orientation manual
- Incorporate into new board members’ on-boarding materials

**HOW SHOULD ONGOING GIFTS BE REVIEWED?**

- A gift acceptance committee made up of senior staff members – the CFO, director of development, in-house general counsel and appointees with expertise and experience in evaluating gifts – should be established to: Review real estate, tangible personal property, closely held securities, life insurance, intellectual property, partnership interests, mineral rights and restricted securities gifts.
- Evaluate gifts to determine if they go against your organization’s mission and interests.
- Determine the procedures for accepting gifts and, when issues arise, make recommendations to the board.
- Consider and potentially adopt a “windfall policy” for unexpected gifts above a certain dollar amount.

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**Contact us**

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