



## Gift Acceptance Policy & Guidelines

United Military Care, Inc., a Georgia non-profit corporation ("United Military Care"), encourages the solicitation and acceptance of gifts to include monetary, in-kind, and volunteer donations for purposes that will help United Military Care further and fulfill its mission of caring for Veterans. The following policies and guidelines govern acceptance of gifts made to United Military Care or for the benefit of any of its programs.

### I. Purpose of Policies and Guidelines

The Board of Directors of United Military Care and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and success of United Military Care and its activities. These policies and guidelines govern the acceptance of gifts by United Military Care and provide guidance to prospective donors and their advisors when making gifts to United Military Care. The provisions of these policies shall apply to all gifts received by United Military Care for any of its activities.

### II. Use of Legal Counsel

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

- Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- Documents naming United Military Care as Trustee;
- Gifts involving contracts, such as bargain sales or other documents requiring United Military Care to assume an obligation;
- Transactions with potential conflict of interest that may invoke IRS sanctions;
- Potential gifts of partnerships, limited liability interests or similar interests.
- Other instances in which use of counsel is deemed appropriate by the Fundraising and Development Committee.

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### III. Conflict of Interest

United Military Care will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. United Military Care will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

### IV. Restrictions on Gifts

United Military Care will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. United Military Care will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of United Military Care's corporate documents, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of United Military Care. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by United Military Care, Inc.'s Fundraising and Development Committee.

### V. The Fundraising and Development Committee

The Fundraising and Development Committee shall consist of:

- The Chair of the Board of United Military Care
- Vice President of Development of United Military Care
- Such other members as appointed by the Chair of the Board of United Military Care

The Fundraising and Development Committee is charged with the responsibility of reviewing all gifts made to United Military Care, properly screening and accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate.

VI. Types of Gifts. The following gifts are acceptable, but may require additional review and/or paperwork before acceptance or to ensure the donor has appropriate acknowledgements:

- Cash
- Tangible Personal Property
- Securities
- Real Estate
- Interests in limited liability corporations or partnerships
- Remainder Interests in Property
- Oil, Gas, and Mineral Interests
- Bargain Sales
- Life Insurance & Insurance Beneficiary Designations
- Charitable Remainder Trusts & Charitable Lead Trusts
- Retirement Plan Beneficiary Designations
- Bequests

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VII. Fundraising and Development Criteria. The following criteria govern the acceptance of each gift form:

1. Cash: Cash is acceptable in any form. Checks shall be made payable to "United Military Care" and shall be delivered to the President, chief operating officer or chief financial officer in United Military Care's administrative offices.

2. Tangible Personal Property: All other gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property help directly fulfill the mission of United Military Care (i.e., it is an artifact from the Chandler area suitable for display in an exhibit)?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Fundraising and Development Committee of United Military Care.

3. Securities: United Military Care can accept both publicly traded securities and closely held securities.

A.. Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the board. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Fundraising and Development Committee of United Military Care.

B. . Closely Held Securities: Closely held securities, which include not only debt and equity positions in non publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Fundraising and Development Committee of United Military Care. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent United Military Care from ultimately converting those assets to cash,
- The security is marketable, and
- The security will not generate any undesirable tax consequences for United Military Care.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Fundraising and Development Committee of United Military Care and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

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6. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, United Military Care shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, United Military Care shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by United Military Care prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Fundraising and Development Committee of United Military Care and by United Military Care's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of United Military Care?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

7. Remainder Interests In Property: United Military Care may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, United Military Care may use the property or reduce it to cash. Where United Military Care receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

8. Oil, Gas, and Mineral Interests: United Military Care may accept oil, gas and mineral property interests, when appropriate. Prior to acceptance of an oil, gas and/or mineral interest, the gift shall be approved by the Fundraising and Development Committee, and if necessary, by the Foundation's legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest is rarely accepted. A working interest may only be accepted where when there is a plan to minimize potential liability and tax consequences.

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- The property should undergo an environmental review to ensure that United Military Care has no current or potential exposure to environmental liability.

9. Bargain Sales: United Military Care will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of United Military Care. All bargain sales must be reviewed and recommended by the Fundraising and Development Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:

- United Military Care must obtain an independent appraisal substantiating the value of the property.
- If United Military Care assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- United Military Care must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.
- United Military Care must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

10. Life Insurance: United Military Care must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, United Military Care will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, United Military Care may:

- Continue to pay the premiums,
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

11. Charitable Remainder Trusts: United Military Care may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Fundraising and Development Committee of United Military Care. United Military Care will not accept appointment as Trustee of a charitable remainder trust.

12. Charitable Lead Trusts: United Military Care may accept a designation as income beneficiary of a charitable lead trust. The Board of United Military Care will not accept an appointment as Trustee of a charitable lead trust.

13. Retirement Plan Beneficiary Designations: Donors to and supporters of United Military Care will be encouraged to name United Military Care as beneficiary of their retirement plans. Such designations will not be recorded as gifts to United Military Care until such time as the gift is irrevocable. United Military Care will seek advice from its accounting professionals as to how and when to record such gifts.

14. Bequests: Donors to and supporters of United Military Care will be encouraged to make bequests to United Military Care under their wills and trusts. Such bequests will not be recorded as gifts to United Military Care until such time as the gift is irrevocable. United Military Care will seek advice from its accounting professionals as to how and when to record such gifts.
  
15. Life Insurance Beneficiary Designations: Donors to and supporters of United Military Care will be encouraged to name United Military Care as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to United Military Care until such time as the gift is irrevocable. United Military Care will seek advice from its accounting professionals as to how and when to record such gifts.

#### VIII. Miscellaneous Provisions

1. Securing appraisals and legal fees for gifts to United Military Care: It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to United Military Care.
2. Valuation of gifts for development purposes: United Military Care will record a gift received by United Military Care at its valuation for gift purposes on the date of gift.
3. Responsibility for IRS Filings upon sale of gift items: The Fundraising and Development Committee of United Military Care is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three (3) years of receipt by United Military Care when the charitable deduction value of the item is more than \$5,000. United Military Care must file this form within 125 days of the date of sale or disposition of the asset.
  
4. Substantiation and Acknowledgement: Substantiation and Acknowledgement of all gifts made to United Military Care and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of United Military Care's Board.

#### IX. Changes to Fundraising and Development Policies

These policies and guidelines have been reviewed and accepted by United Military Care's Board of Directors. United Military Care's Board of Directors must approve any changes to or deviations from these policies.

#### Certificate of Adoption

Certified a true and correct copy of the Gift Acceptance Policy adopted on the 1<sup>st</sup> day of July, 2012, by the Board of Directors of United Military Care.

By:

J. Gregory Howard, Chairman of the Board

## APPENDIX

### Model Standards of Practice for the Charitable Gift Planner

#### Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

#### I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

#### II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

#### III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

#### IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

#### V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

#### VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

#### VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

#### VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

#### IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

#### X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999. Reprinted with permission.