



**Educational
Foundation of
Alpha Gamma Rho**

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Gift Acceptance Policy

Purpose

This gift acceptance policy serves as a guide to Alpha Gamma Rho Foundation (The Foundation) staff involved with accepting gifts, to outside advisors who assist in the fund raising process, and to prospective donors who wish to make gifts to the Foundation.

Gift Review Committee

This committee consists of the Alpha Gamma Rho Foundation Treasurer, the Executive Director (or a substitute appointed as needed by the President), and the President of the Foundation.

Cash

Outright Gifts:

1. All gifts by cash or check shall be accepted by the Foundation regardless of amount.
2. Checks shall be made payable to Alpha Gamma Rho Foundation or to a particular program or project at Alpha Gamma Rho Foundation. In no event shall a check be made payable to an individual who represents the Foundation.

Pledges (for recognition purposes only):

Pledges may be payable in single or multiple installments and may extend for five years. For public recognition, all donors must complete a pledge form or confirm the pledge in writing. All pledges shall be properly recorded and recognized in the office of the Foundation.

Publicly Traded Securities

Readily marketable securities, such as those traded on a U.S. stock exchange, will be accepted by the Foundation. The Foundation will sell such securities upon receipt unless exemption granted by the Gifts Review Committee.

Gift credit will equal the value of the securities' average of high and low prices on the date the shares are received by the Foundation. The value of the Mutual funds shares will be the closing price on the day of transfer.

Closely Held Securities

1. Non-publicly traded securities may be accepted after consultation with appropriate counsel.
2. Prior to acceptance, Alpha Gamma Rho Foundation shall explore methods of liquidation for the securities through reception or sale. A representative of Alpha Gamma Rho Foundation will contact the corporation to determine:
 - An estimate of fair market value
 - Any restriction on transfer or sale
 - Method and procedures for sale
3. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

Real Estate

1. The Gift Review Committee must review gifts of real estate before acceptance.
2. The donor is responsible for obtaining an appraisal of the property for tax deductibility purposes. The appraisal shall be paid by the donor.
3. Prior to the presentation to the Gift Review Committee of the Foundation, the Executive Director of the Foundation shall conduct a visual inspection of the property and arrange for an appropriate environmental survey. The environmental survey may include a Phase I environmental survey depending on the prior use of the property. If the property is located in a geographically isolated area, a local real estate broker can conduct the visual inspection and arrange for the environmental survey.
4. Real estate gifts valued in excess of \$10,000 will be considered for acceptance.
5. The donor may be asked to provide the following documents for review:
 - Real estate deed
 - Real estate tax bill
 - Plot plan, if any
 - Substantiation of zoning status
 - Title insurance
6. Each gift of real estate is different. In certain circumstances, the donor may be asked to pay for all or a portion of the following expenses or they may be deducted from the proceeds of the sale:
 - Maintenance costs
 - Real estate taxes due
 - Insurance maintained from acquisition to sale
 - Real estate broker's commission and other costs of sale
 - Environmental survey costs

The value of the gift is the appraised value of the real estate.

Life Insurance

1. The Foundation will accept whole life insurance policies as gifts only when the Foundation is named as the owner and beneficiary of 100% of the policy.
2. If the policy is a paid-up policy, the value of the gift for the Foundation's gift credit records is the policy's replacement cost, or net present value.
3. If the policy is partially paid up, the value of the gift for the Foundation's gift credit is the policy's cash surrender value. (Note: For IRS purposes, the donor's charitable income tax deduction may be slightly different; the Foundation does not provide legal or tax advice and Donor is advised to seek his/her own legal council as to the extent a gift may be deductible.

Tangible Personal Property

1. Gifts of jewelry, artwork, collections, equipment, and software shall be accepted after approval by Gift Review Committee.
2. The donor is responsible for obtaining an appraisal of the property. The appraisal shall be paid for by the donor.
3. Gifts of tangible personal property defined above shall be used by or sold for the benefit of the Foundation.
4. No property which requires special display facilities or security measures shall be accepted by Alpha Gamma Rho Foundation without consultation with the Gift Review Committee.

Deferred Gifts

The Foundation will accept all of the following deferred gifts with prior approval and consultation of the Gift Review Committee:

- Charitable gift annuities
- Deferred gift annuities
- Charitable remainder trusts
- Bequests

Charitable Gift Annuities. A gift Annuity (also known as a "charitable Gift Annuity" or "CGA") is a CONTRACT (NOT a "trust"), under which a charity, in return for a transfer of cash, marketable securities or other property, agrees to pay a fixed sum of money (payments) for a period measured only by one or two lives (not a term of years).

1. The minimum gift accepted to establish a charitable gift annuity is \$5,000.

2. The Foundation will use the currently suggested “uniform gift annuity rates” of the American Council on Gift Annuities (ACGA). The Foundation shall target for a remainderment of at least 40% of the net present value of the future remainder.

Deferred Gift Annuities. A gift of property in exchange for a stream of income for life, beginning at some point in the future, typically at least one year after the gift has been made. As with charitable gift annuities, the Foundation receives the remainder at the end of the period of one or two lives.

1. Younger donors generally can expect higher rates of interest because of the greater length of time between the date of the gift and the initial payment of income.
2. The minimum gift accepted to establish a deferred gift annuity is \$5,000

Charitable Remainder Trusts. Trusts can be set up to pay either a fixed, guaranteed dollar amount (annuity trust), or a set percentage of the value of the trust’s assets (unitrust). Upon death of the beneficiaries or termination of the trust term, any remaining trust corpus transfers to the Foundation. The Charitable Unitrust income is based on a fixed percentage of the fair market value of the trust, revalued annually. Income will vary from year to year. The Charitable Annuity Trust income is based on a fixed dollar amount. Annual income will remain fixed for the life of the trust.

1. The minimum to establish a charitable remainder trust administered by the Foundation is \$50,000.
2. Investment of a charitable remainder trust shall be determined by the fiduciary agent hired to manage the trust. No representations shall be made by any employee of the Foundation or person acting on behalf of the Foundation as to the management or investment of such charitable remainder trust. Trust management fees shall be paid by the trust.
3. The payout rate of a charitable remainder trust shall be determined in consultation with the donor and Alpha Gamma Rho Foundation Gift Review Committee and its investment advisor. The payout rate shall be negotiated between the donor and the Foundation and shall reflect the number of beneficiaries, their ages, and the size of the trust. The Foundation shall target an expected remainderment of at least 405% of the net present value of the future remainder.

Bequests. A bequest is a testamentary gift made by will.

1. Assets transferred through bequest shall be liquidated and the proceeds made available for the intended purpose of the gift, unless granted an exemption by the Gifts Review Committee. Gifts that appear to require more cost than benefit shall be discouraged or may be rejected by the Foundation.
2. Donors who have indicated that they have made a bequest to the Foundation be encouraged to disclose, in writing or by copy of the will, the relevant clause that benefits the Foundation for recognition and stewardship.

3. Endowed funds enable permanent support to one or more specific programs of the Foundation. The principal of an endowed gift is left intact. Only the income earned from investing the principal is used for program support as specified by the donor.

The Foundation will accept restricted endowment gifts (for example, a scholarship for members of a particular chapter). All endowment accounts will be managed for the long-term support of the intended purpose. However, if circumstances arise that the proposed purpose is no longer practical or invalid, the Board of Directors reserve the right to redirect use of the endowment to most closely represent the donor's original intent.

Standards of Care

1. The Foundation will issue written confirmation of gifts consistent with IRS guidelines.
2. The Foundation shall confirm or establish valuation, rate of payment, beneficiaries and payment schedule upon consultation with appropriate professional counsel.
3. All gift acceptance agreements shall be subject to approval of the Foundation legal counsel prior to final acceptance.
4. The Foundation shall ensure that accounting and reporting procedures shall conform to IRS requirements and shall provide the donor and/or income beneficiaries with information required by the IRS.
5. The Foundation (and appropriate directors) shall establish the investment objectives of all planned gift fund accounts and shall administer the planned gift program in a responsible and prudent manner.

Administrative Issues

1. The Foundation shall not act as an executor (personal representative) for a donor's estate.
2. The Foundation may act as co-trustee on a charitable remainder trust when the trust names the Foundation as a beneficiary of 50% or more of the trust.
3. The Foundation will pay for the drafting of legal documents for a charitable remainder trust when the Foundation is named as a beneficiary of 50% or more of the trust. The donor's own counsel must review the documents at the donor's cost.

Note: In addition to this statement, the Alpha Gamma Rho Foundation endorses the Model Standards of Practice for Charitable Gift Planner which is attached to this Gift Acceptance Policy.

Model Standards of Practice for the Charitable Gift Planner*

Preamble

The purpose of this statement is to encourage responsible charitable gift planning by urging the adoption of the following Standards of Practice by all who work in the charitable gift planning process, including charitable institutions and their gift planning officers, independent fundraising consultants, attorneys, accountants, financial planners and life insurance agents, collectively referred to hereafter as "Gift Planners."

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 as such 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 the 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 full 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. Payments of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are 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. Compensation 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 Planners, 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 Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Explanation of Gift

The Gift Planner shall make every effort, insofar as possible, to insure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.

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 and 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 Committee on Gift Annuities May 7, 1991.