



## **Our Gift Acceptance Policy**

Jacob's Color Link Initiative ("JCLI"), a 501(c)(3) nonprofit organization organized under the laws of the State of Louisiana, encourages the solicitation and acceptance of gifts, which benefit JCLI's programming, and further the fulfillment of its mission. The following guidelines govern JCLI's gift-acceptance; the guidelines shall apply to all gifts received for any JCLI program or services.

JCLI shall seek the advice of legal counsel in matter relating to the acceptance of gifts when appropriate. Review by counsel shall be for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements
- Documents naming the organization as Trustee
- Gifts involving contracts, such as bargain sales, or other documents requiring JCLI to assume an obligation
- Transactions with potential conflict of interest that may invoke IRS sanctions
- Other instances in which use of counsel is deemed appropriate

JCLI urges 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. JCLI cannot and will not render any legal advice concerning tax liability and/or estate planning matters. Legal fees incurred by the donor in the completion of a gift are the responsibility of the donor.

JCLI may accept unrestricted gifts and gifts for specific programs and purposes, if such gifts are not inconsistent with its stated mission, purposes and priorities. JCLI will not accept gifts that are overly restrictive in purpose. Gifts that are overly restrictive are those that violate the terms of our bylaws, gifts that are too difficult to administer or gifts that are for purposes outside the mission of JCLI. The Executive Committee, in conjunction with legal counsel, is responsible for implementing these policies.



### **Types of gifts that are acceptable:**

- Cash
- Securities
- Tangible personal property
- Real Estate
- Planned gifts:
  - Bequests
  - Charitable Gift Annuities
  - Pooled Income Funds
  - Charitable Remainder Trusts
  - Charitable Lead Trust
  - Life Insurance

JCLI will consult with accountants, real estate appraisers, environmental analysts, property brokers and specialized legal counsel to ensure that it has the expertise available to analyze a proposed gift appropriately.

### **The following criteria govern the acceptance of each gift from:**

#### **I. Cash**

Cash is acceptable in any form. Checks shall be made payable to Jacob's Color Link Initiative and shall be mailed to 201 St. Charles Avenue, Suite 114-255, New Orleans, Louisiana 70170.

#### **II. Securities:** Publicly and Closely Held securities are both acceptable.

Appreciated marketable publicly-traded securities will be accepted and sold upon receipt unless otherwise directed by the Executive Director in consultation with the Executive Committee. Donors should not sell the stock; they should contact JCLI for instructions on how to transfer their stocks to JCLI's brokerage firm.

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 Executive Director in consultation with the Executive Committee. However, gifts must be reviewed prior to acceptance to determine that:



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

If potential problems arise on the 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 Executive Director in consultation with the Executive Committee and legal counsel when necessary. Every effort will be made to sell the non-marketable securities as quickly as possible.

### III. **Tangible Personal Property**

These gifts include artwork, jewelry, cars, boats and any other personal property item(s) owned by a donor. These gifts will rarely be accepted. If even considered by JCLI, they shall be examined based on the following consideration criteria:

- Does the property fulfil the mission of JCLI?
- Is the property marketable?
- Are there any undue restrictions on the use, display or sale of the property?
- At there any carrying costs for the property?

### IV. **Real Estate**

The Executive Director and the Executive Committee may accept gifts of real estate after careful consideration. These types of gifts may include undeveloped property, developed property, or gifts subject to life interest. In the event one of these gifts is being considered for acceptance, JCLI shall require an initial environmental review of the property to ensure that the property has no environmental damage. If the initial inspection reveals a potential problem, JCLI will retain a qualified inspection firm to conduct an environmental audit on the property. The cost of the environmental audit shall be an expense of the donor.

When appropriate, a title binder shall be obtained by JCLI prior to the acceptance of the real property gift. The cost of this title binder shall be at the expense of the donor.



Prior to acceptance of the real property, the gift shall be approved by the Executive Director in consultation with the Executive Committee and legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of JCLI's mission?
- 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 associated with the property?
- Does the environmental audit reflect that the property is not damaged?

If the estimated value of the tangible personal property or real estate is \$500 or more, the donor will be directed to the U.S. Internal Revenue Service requirements regarding the substantiation of the charitable contributions. Should the donor wish to reflect the contribution in its income tax return, the donor should obtain a qualified appraisal of the equipment from an independent appraiser, complete IRS 8283 and provide a copy to JCLI.

#### V. **Planned Gifts**

JCLI may accept the following planned gifts:

##### **Bequests:**

Donors and supporters of JCLI will be encouraged to make bequests to JCLI under their wills and trusts. Such bequests will not have been recorded as gifts to JCLI until the gift is irrevocable.

##### **Charitable Gift Annuities:**

JCLI may accept charitable gift annuities. The minimum gift for funding is \$5,000. The minimum age for life income beneficiaries of a gift annuity shall be 55. For a deferred gift annuity, the minimum age for the life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity. Annuity payments may be made on a quarterly, semi-annual or annual schedule.

##### **Retirement Plan Beneficiary Designations:**

Donors and supporters of JCLI are encouraged to name JCLI as beneficiary of their retirement plans. Such designations will be recorded as gifts to JCLI until such time the gift is irrevocable. When the gift is irrevocable, but is not due until a future date,



the present value of that gift may be recorded at the time the gift becomes irrevocable.

### **Life Insurance**

JCLI must be named as the 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 cash surrender value upon receipt. If the donor contributes future 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 the premium payments on the life insurance policy, JCLI may take the following steps:

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

**Life Insurance Beneficiary Designations:** Donors and supporters of JCLI will be encouraged to name JCLI as beneficiary or contingent Beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to JCLI until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

January 2017/ TSS