



## VALLEY OUTREACH GIFT ACCEPTANCE POLICY

### I. Purpose

The purpose of this Gift Acceptance Policy is to ensure that Valley Outreach ("the Organization") accepts gifts in a manner that is ethical, aligns with its mission, and complies with all applicable laws. This policy guides donors, staff, and board members regarding the acceptance, management, and acknowledgment of gifts.

### II. Scope

This policy applies to all gifts offered to the Organization, including but not limited to cash, securities, real estate, tangible personal property, bequests, and in-kind contributions.

### III. Guiding Principles

- **Alignment with Mission:** Gifts must support the mission, vision, and values of the Organization.
- **Legal and Ethical Compliance:** The Organization will not accept gifts that are illegal, come with conditions that violate laws, or compromise its integrity.
- **Donor Intent:** The Organization will honor donor intent to the extent feasible and consistent with the Organization's mission and priorities.
- **Confidentiality:** The Organization will respect donor privacy and confidentiality per its privacy policy.
- **Transparency:** The Organization will communicate openly with donors and stakeholders about how funds are used to build trust and accountability.

### IV. Gift Acceptance Authority

The Director of Communications & Development, in consultation with the CEO and when appropriate the Board of Directors, has the authority to accept or decline gifts. The Board must approve any gift that:

- Involves unusual or potentially burdensome restrictions or conditions.
- Requires significant ongoing financial or administrative resources.
- May expose the Organization to liability or reputational risk.

### V. Types of Acceptable Gifts

**Cash:** The Organization accepts cash, checks, electronic fund transfers, and credit card payments.

**Securities:** Publicly traded securities will be accepted and sold upon receipt unless otherwise directed by the Board. Closely held securities may be accepted subject to review by the CEO and Director of Communications & Development.

**Real Estate:** Gifts of real estate require Board approval and may require an environmental assessment and appraisal at the donor's expense. Valley Outreach may coordinate real estate offers with the St. Croix Valley Foundation, following their vetting and acceptance process. See Appendix 1. When accessing the St. Croix Valley Foundation's expertise for real estate, proceeds from the sale of properties are directed to the Vibrant Future Fund, or a new Valley Outreach fund, with the St. Croix Valley Foundation.

If Valley Outreach chooses to not deposit sale proceeds with the St. Croix Valley Foundation, a separate real estate valuation and sale process will be coordinated by Valley Outreach.

**Bequests and Planned Gifts:** The Organization encourages donors to consider including it in their estate plans. Unless otherwise designated by the donor, these gifts are deposited into the Vibrant Future Fund.

**In-Kind Contributions:** In-kind gifts must align with the Organization's current needs and priorities.

**Community Contributions:** The Organization welcomes contributions from the community that reflect collective engagement and collaboration, such as pooled funds or grassroots campaigns.

**Cryptocurrency:** These contributions will be liquidated promptly upon receipt to minimize exposure to market volatility. All cryptocurrency donations must align with the organization's mission, values, and applicable legal and regulatory standards.

## **VI. Conditions for Gift Acceptance**

**Valuation:** It is the donor's responsibility to obtain appraisals or valuations for non-cash gifts.

**Restrictions:** The Organization will not accept gifts with restrictions that are inconsistent with its mission or that unduly limit its discretion in using the gift.

**Refusal:** The Organization reserves the right to decline any gift that:

- Does not align with its mission.
- May result in financial or legal liabilities.
- May expose the Organization to reputational risk.
- Includes conditions that are overly restrictive or burdensome.

**Ethical Considerations:** The Organization will be guided by ethical considerations in Appendix 1.

## **VII. Acknowledgment and Stewardship**

**Acknowledgment:** All gifts will be acknowledged in writing in a manner consistent with IRS regulations and the Organization's donor recognition practices. The Organization will avoid prioritizing public recognition for donors in ways that detract from the contributions of the broader community.

**Stewardship:** The Organization will use gifts in accordance with donor intent in alignment with the mission. The Organization will report to donors on the impact of their contributions as appropriate, with an emphasis on how those contributions support community well-being.

## **VIII. Policy Review**

This policy will be reviewed and updated as needed by the Board of Directors, at a minimum every three years, to ensure it remains relevant and effective, incorporating feedback from the communities the Organization serves.

*Approved by the Board of Directors on February 24, 2025.*

## Appendix I

### **Ethical Considerations for Controversial Gifts**

1. Does the acceptance of the gift compromise Valley Outreach's integrity or any of its values?
2. Is there compatibility between the intent of the donor and the Valley Outreach planned use of the gift?
3. Will acceptance of the gift damage the reputation of the Valley Outreach?
4. Will acceptance of the gift expose the Valley Outreach to uncertain risk or possible liability?
5. Is there published or other credible evidence that the proposed gift will be made from a source that arises from an activity that:
  - Evaded taxation or involved fraud?
  - Violated international conventions that bear on human rights?
  - Was illegal in whole or part?
6. Is there evidence that the proposed gift or any of its terms will:
  - Require action that is illegal?
  - Create unacceptable conflicts of interest?
  - Harm Valley Outreach's relationship with its stakeholders?

### **St. Croix Valley Foundation and Gifts of Real Estate**

For coordination of real estate offers with the St. Croix Valley Foundation, the gift would need to be made to them and designated for a fund supporting Valley Outreach, whether the existing Vibrant Future Fund, or a new fund. This allows the St. Croix Valley Foundation to leverage a "wholly owned subsidiary LLC" (established to provide a layer of legal protection when navigating the process of receiving and liquidating non-cash gifts).

Following is their policy of 3/19/24. Not relevant to Valley Outreach is the italicized text (italics added by Valley Outreach) regarding component funds. This references the process for valuation and sale, offered for the information of the Valley Outreach Board of Directors.

"1. Real Estate General. This Policy applies to all gifts of real property, including outright gifts of residential and commercial property and farmland; bargain-sale transactions; and gifts of remainder interests in which the donor retains a life estate. The Foundation does not accept gifts of timeshares.

*The Foundation may accept gifts of real property to any fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement.*

In deciding whether to accept real property gifts, the Foundation will:

- Determine whether the real estate gift is an acceptable minimum value.
- Confirm that the donor has legal capacity and is entitled to convey the property through copies of deed, title report, etc., provided by donor.
- Determine whether, if property is encumbered by debt, the debt is of a level that will not unduly burden the Foundation or adversely affect the marketability of the property.

- Perform a market and financial analysis prior to acceptance of the gift to determine whether the gift is a financially sound acquisition.
- Weigh its ability to manage commercial property for the time necessary to sell the property. For example, income producing property may subject the Foundation to unrelated business income tax and/or other types of expenses, including but not limited to, upkeep of land, maintenance of buildings and management of property.
- Evaluate whether any restrictions on the gift desired by donor will jeopardize the classification of such gift as charitable.

Appraisal: Each gift of real property giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.

*Distributions: Distributions from a component fund that consists entirely of real property are limited to the net income generated by the property less fees assessed by the Foundation and any unrelated business tax imposed thereon.*

Liquidation: The Foundation will generally seek to sell real property as soon as possible and generally will not accept gifts that cannot be liquidated within three years.

Acceptance: The following procedures apply to all proposed gifts of real property:

- Donors will provide the information and documents as requested in the Real Property Donation Checklist and the Real Property Inquiry Form at the earliest possible time prior to the acceptance of the gift. Copies of those forms are appended to this policy as Appendix II. The Foundation may request additional information or documents when necessary to its evaluation of the proposed gift.
- Whenever possible, a member of the Foundation staff or an authorized representative will visit the property to determine its nature and type and to identify any potential problems not evident from information supplied by the donor that might hinder or prevent the Foundation's sale of the property.
- If the property type warrants, the Foundation may require the donor to provide at least a Phase I Environmental Report with disclosure of any environmental problems or statement that none exists."

NOTE that Appendix II is not included here and can be obtained from the St. Croix Valley Foundation.