

COLORADO ROCKY MOUNTAIN SCHOOL
GIFT ACCEPTANCE POLICY
February 2017

Introduction

Colorado Rocky Mountain School (“CRMS” or the “Charity”) is organized as a Colorado nonprofit corporation, is exempted from federal income tax liability by Internal Revenue Code Section 501(c)(3), and qualifies as a public charity under Internal Revenue Code Section 509.

CRMS encourages the solicitation and acceptance of gifts to further and fulfill its mission of cultivating a learning environment in which students discover their potential to excel as individuals, contribute to their communities, and thoughtfully participate in the world we share.

This document has been developed to outline procedures for analyzing and accepting charitable gifts to CRMS. While this document is intended to provide guidance regarding acceptance of prospective gifts, donors are ultimately responsible for ensuring that the proposed gift furthers their charitable, financial and estate planning goals. Therefore, each prospective donor is urged to seek the advice of independent legal counsel in the gift planning process. It is within the province of neither CRMS nor its staff to give legal, accounting, tax or other advice to prospective donors.

I. Purpose of Policies

This statement articulates the policies of the Board of Trustees (the “Board”) of CRMS concerning the acceptance of charitable gifts and provides guidance to prospective donors and their advisors when making gifts to CRMS. The Gift Acceptance Committee (GAC) will adopt appropriate procedures to implement these policies. The GAC is comprised of the Head of School, Director of Finance, Director of Advancement/Development, and the Board President who may delegate routine day-to-day decisions to staff members.

II. Responsibility to Donors

A. *Commitment to a Donor-Centered, Philanthropic Approach:* CRMS, its staff and volunteer representatives shall endeavor to assist donors in accomplishing their philanthropic objectives in a donor-centered way. In many circumstances, this may involve the donor’s professional advisors, as charitable support is often integrated with a donor’s overall tax, estate and financial planning.

- B. *Anonymity*: CRMS shall respect the wishes of any donor offering anonymous support and will implement reasonable procedures to safeguard such donor's identity.
- C. *Ethical Standards*: CRMS is committed to the highest ethical standards. CRMS shall adhere to the *Code of Ethical Standards* as adopted by the Association of Fundraising Professionals.

III. Legal Considerations

- A. *Compliance*: CRMS shall comply with all local, state and federal laws and regulations concerning all charitable gifts it encourages, solicits or accepts. All required disclosures, registrations and procedures shall be made and/or followed in a thorough and timely manner.
- B. *Endorsement of Providers*: CRMS shall not endorse legal, tax or financial advisors to prospective donors but may provide resources authored by third parties and/or the contact information of professionals upon request.
- C. *Finder's Fees and Commissions*: CRMS shall not pay fees to any person as consideration for directing a gift by a donor to CRMS.
- D. *Legal, Tax and Financial Advice*: CRMS shall inform prospective donors that it does not provide, legal, tax or financial advice, and shall encourage prospective donors to discuss all charitable gift planning decisions with their own advisors before entering into any commitments to make gifts to CRMS.
- E. *Preparation of Legal Documents*: CRMS shall not prepare legal documents for execution by donors.
- F. *Payment of Fees*: It will be the responsibility of the donor to secure an appraisal (where required) and to pay for the advice of independent legal, financial or other professional advisers as needed for all gifts made to CRMS.
- G. *Service as Executor or Living Trust Trustee*: CRMS will not agree to serve as executor of a decedent's estate or as trustee of a living trust or other trust intended to serve as a person's primary estate planning document.
- H. *Use of Counsel*: CRMS shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate.

IV. Gift Acceptance

- A. *Implementation*: Gift acceptance, as outlined in these policies, is delegated by the Board to the Director of Advancement. The Director of Advancement is authorized to accept all gifts permitted by this policy.
- B. *In Kind Gifts*: Upon acceptance by the GAC, as per IRS regulations, CRMS will acknowledge In Kind Gifts by description and does not include gift values.

- C. *Approval of Exceptions*: Acceptance of gifts outside the scope of this policy requires the unanimous approval of the GAC.
- D. *Gift Agreements*: For multiple year commitments and Planned Gifts, CRMS generally uses non-binding statements of intent to document gift commitments. CRMS shall create and maintain samples for use and all statements of intent shall include the donor's commitment and timeframe for payments.
 - 1. *Unrestricted Commitments Within a Fiscal Year*: CRMS does not require statements of intent for unrestricted gift commitments within the current fiscal year.
 - 2. *Unrestricted Commitments Covering More Than One Fiscal Year*: If the unrestricted commitment shall cover more than one fiscal year, a simple letter documenting the gift amount and payment schedule may be substituted for a formal statement of intent.
 - 3. *Commitments Subject to Restrictions*: CRMS requires an executed statement of intent for all commitments subject to restrictions, including restricted endowment gifts.
 - 4. *Planned Gifts*: CRMS will provide the donor with a Holden Circle membership form, outlining the donor's intent regarding this legacy gift and request supporting documentation when available to keep on file for future reference.

V. Gift Restrictions

- A. *Unrestricted Gifts*: To provide CRMS with maximum flexibility in the pursuit of its mission, donors shall always be encouraged to consider unrestricted gifts or gifts restricted to budgeted priorities of CRMS.
- B. *Budgeted Programs or Facilities*: CRMS may accept gifts restricted to specific budgeted programs and purposes as long as they don't exceed the individual program's annual budget. In that event, CRMS will contact the donor to make other mutually agreed upon arrangements.
- C. *Other Restrictions on Gifts*: CRMS may accept gifts restricted to non-budgeted programs and purposes only upon the approval of the GAC. CRMS reserves the right to decline gifts which are too restrictive in purpose, too difficult to administer, or for purposes outside of its mission.
- D. *Restrictions That No Longer Exist*: While CRMS will apply approved restricted gifts as requested by the donor; if circumstances change (ie. a program ceases to exist), CRMS will contact the donor to make other mutually agreed upon arrangements. CRMS will use its reasonable discretion to apply gifts to similar programs or purposes if it can not make contact with the donor.

- E. *Unrestricted Planned Gifts*: As donors making large future gifts generally intend for these gifts to benefit the long-term future of CRMS, all planned gifts (bequests, retirement plan and life insurance designations, etc.) shall be added to the unrestricted endowment fund held by the Colorado Rocky Mountain School Foundation, Inc. unless the GAC makes an exception (see approval of exceptions).

VI. Types of Property

These assets may be considered for acceptance by CRMS, subject to the following criteria:

- A. *Cash*: Acceptable in any negotiable form, including currency, check and credit card gifts.
- B. *Securities*:
 - 1. *Publicly Traded Securities*: Stocks, bonds and mutual funds traded on an exchange or other publicly reported market are acceptable.
 - 2. *Closely Held Securities and Business Interests*: Debt and equity positions in non-publicly traded businesses, hedge funds, REITs, interests in limited liability companies and partnerships may only be accepted upon prior written approval of the GAC.
 - 3. *Options and Other Rights in Securities*: Warrants, stock options and stock appreciation rights may only be accepted upon prior written approval of the GAC.
- C. *Life Insurance*: CRMS will accept a gift of life insurance provided that the policy has a positive cash surrender value and CRMS has been named both beneficiary and irrevocable owner of the policy.
- D. *Real Property*: Personal and commercial real property, real estate interests/derivatives, and remainder interests in property (gifts subject to a retained life estate) may only be accepted upon prior approval of the GAC. CRMS does not accept debt-encumbered real property, real property subject to a mortgage or lien or time share interests. For gifts subject to a retained life estate, the donor or primary life beneficiary shall be responsible for all expenses other than capital expenditures during the life tenancy, including but not limited to maintenance, real estate taxes, assessments and insurance.
- E. *Tangible Personal Property*: In Kind Gifts, such as Jewelry, books, works of art, collections, equipment and other property which may be touched, may only be accepted after review and approval by the GAC.
- F. *Other Property*: Property not otherwise described in this section, whether real or personal may be only be accepted upon prior approval of the GAC.

VII. Structured Current Gifts

- A. *Charitable Lead Trusts*: CRMS may accept a designation as income beneficiary of a charitable lead trust. CRMS will not serve as trustee of a charitable lead trust.
- B. *IRA Charitable Rollover*: CRMS may accept all gifts directly transferred from an IRA, as permitted under the Pension Protection Act of 2006 and subsequent extensions.
- C. *Matching Gifts*: CRMS will accept all matching gifts, subject to the terms and conditions of Section VI.
- D. *Other Structured Current Gifts*: CRMS may only accept other structured current gifts with prior written approval of the GAC.

VIII. Future Gifts

- A. *Future Bequest or Beneficiary Designations*:
 - 1. *Gifts by Will or Living Trust*: Donors and supporters of CRMS will be encouraged to designate CRMS as a beneficiary of their wills or living trusts.
 - 2. *Retirement Plan, Life Insurance and Other Beneficiary Designations*: Donors and supporters of CRMS will be encouraged to designate CRMS as beneficiary or contingent beneficiary of their retirement plans, life insurance policies and other accounts on which they can name a beneficiary.
 - 3. In all cases of planned giving, we ask the donors to consult with professional financial planning and tax advisors as circumstances may vary from person to person.
- B. *Planned Gifts*: Will be directed towards the unrestricted endowment fund held by the Colorado Rocky Mountain School Foundation, Inc., unless the estate requests otherwise. CRMS requires that a minimum individual, or collective, gift of \$100,000 be made to initiate a new restricted and/or named endowment fund.

IX. Donor Stewardship and Recognition

- A. *General*: Every gift made to CRMS is acknowledged. Recognition is based on levels of giving and gift type. All cash gifts are acknowledged in the Annual Report, unless the donor requests anonymity. Acknowledgement of larger capital gifts (typically if greater than \$250,000) to CRMS is determined by the GAC.
- B. *Buildings*: Except in the case of naming opportunities that appear on a separate schedule approved by the Board, the advancement staff of CRMS shall make no

commitments to donors concerning the naming of buildings or facilities without the approval of the Board upon recommendation of the GAC.

X. Reporting Standards

- A. *Gift Reporting and Counting:* For outright gifts, CRMS shall follow the Partnership for Philanthropic Planning Guidelines for Reporting and Counting Charitable Gifts, and for future planned gifts CRMS shall follow Partnership for Philanthropic Planning Valuation Standards for Charitable Planned Gifts. All exceptions to these standards shall be made by the GAC.

XI. Periodic Review

- A. *Regular Review:* The GAC shall review these policies every five years to ensure that they continue to accurately describe the policies of CRMS with respect to acceptance of charitable gifts, and shall propose to the full Board for ratification those revisions that the GAC shall determine to be necessary or appropriate.
- B. *Special Review:* The GAC shall initiate a supplemental review of these policies upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by CRMS, or prior to the start of a formal fundraising campaign. All proposed changes shall be shared with the full Board for ratification.