GIFT ACCEPTANCE POLICY
Version: 1.0
EMT Sponsor: *Chief Revenue Officer*
Policy Owner: **AVP, Operations, Planning & Analysis-Resource Development**

PURPOSE

The Cooperative for Assistance and Relief Everywhere, Inc. (hereinafter referred to as CARE) works around the globe to save lives, defeat poverty, and achieve social justice. CARE U.S. federal tax identification number is 13-1685039.

The purpose of CARE's Gift Acceptance Policy is to govern the acceptance or nonacceptance of proposed gifts and donations. A secondary purpose of this policy is to provide guidelines for donors and their advisors when making gifts.

The policy will serve to educate the staff about critical issues triggered by certain gifts. This policy shall also serve to maintain in one location links to important documents that may be required by state and federal regulatory authorities for certain gift arrangements.

SCOPE

This policy applies to all CARE USA Country Offices, Regions, and Headquarters units.

POLICY STATEMENT

The Gift Acceptance Policy shall serve to define:

i. The types of assets and form of gifts that are acceptable
ii. CARE's role in gift administration and stewardship

In as much as CARE has the right to accept gifts for the purpose of its mission, it also has the right to not accept certain gifts that are not in line with CARE's mission. CARE is committed to ensuring it can respond quickly and appropriately to all gift offers while protecting the interests of the organization and the donors that support its programs.

At all times, it is the donor's responsibility to seek advice and counsel from their own advisors as to legal, tax, and financial implications regarding donating specific assets. **CARE staff cannot provide legal or tax advice nor is anything in this guide intended to be used for those purposes.** The goal is to encourage funding to CARE without encumbering the organization with gifts that may prove to generate more cost than benefit, or that are restricted in a manner which is not in keeping with institutional goals.

Certain executives and staff members are charged with reviewing gifts, pledges, and bequests offered to CARE when said gifts and gift agreements deviate from the policies set forth herein.

Discussions and decisions regarding gifts and gift agreements that deviate from policy should include two or more of the following, each with different areas of expertise, which the CFO and CRO having shared final decision-making authority:

- Chief Executive Officer, if needed
- Chief Financial Officer
- Chief Revenue Officer
- Chair of Resource Development Committee
- AVP of Resource Development Operations
- Legal Counsel

POLICY DETAILS

Donor Recognition and Rights

It is the policy of CARE to appropriately recognize all gifts to the organization. Recognition can be done through giving clubs, the Legacy Society, the Annual Report, and, when appropriate, through physical naming of interior or exterior spaces.

Recognition - The Annual Report is CARE's main recognition tool. The names of all donors who give $10,000 or more will be listed, unless a donor chooses to remain anonymous. CARE also recognizes members of the Legacy Society (donors who have included CARE in their estate plans), those with perpetual trusts and those with named endowments.

Naming of Buildings or Interior Physical Spaces - During campaigns, naming opportunities may become available. The minimum contribution giving rise to the opportunity of naming a new building or new interior physical space could be dependent upon size and cost of space, and determined by Campaign Committee, if so constituted. Naming opportunities are not offered in perpetuity. The naming of rooms, programs, centers, events, buildings and exterior spaces requires the approval of the Chief Revenue Officer, the CEO, the Chief Marketing Officer, and the Executive Committee of the Board of Directors.

Rights of Donors and Confidentiality - The role of CARE's Resource Development team is to serve as an advocate for the organization and its donors. In doing so, CARE requires that fundraisers, staff, vendors and contractors adhere to the Donor Bill of Rights.

All biographical and financial records stored in any CARE database or written file will be treated as confidential information and will not be released or accessed without specific written approval of the Chief Revenue Officer or other designated officials in the Resource Development department. Selected information for purposes of referral, testimonial or example will be used with the permission of the donor. CARE will not sell any address lists or private information to outside vendors, if requested by the donor; otherwise, it is CARE's practice to engage in list exchanges and/or sales/purchases. Donor anonymity in publications will be protected whenever desired by the donor. For more information, see CARE's Privacy Policy.

Conflict of Interest - CARE and donors will adhere to CARE's Conflict of Interest policy.

Undue Influence - Representatives of CARE's Resource Development department shall exercise extreme caution to avoid the use of any undue pressure or persuasion when dealing with prospective donors. The role of such a representative is to inform and assist the donor in gift planning concerns, including the exercise of prudent consideration of the donor's personal interests as well as in fulfilling charitable objectives.

No person employed by CARE shall receive gifts, bequests, commissions or other payments that would give such personnel a beneficial interest in any agreement. The Philanthropy Protection Act of 1995 specifically prohibits the marketing of certain gift plans by persons not regularly engaged in the overall development activities of the organization (as paid staff or volunteer) or by persons receiving any form of commission based on the number or the size of such gifts.

Use of Legal and Financial Counsel

CARE reserves the right to engage outside legal and/or financial counsel, or other professionals such as appraisers, in matters pertaining to donor gifts. Because it may be difficult to separate a board member's role at CARE from his/her role as counsel, for the purposes of this policy, the use of a board member as legal counsel is prohibited. CARE and its employees encourage donors to engage their own legal counsel to review potential gifts to CARE. Payment of external services should be determined by the Gift Acceptance Committee.

Due Diligence

Corporate Giving Due Diligence - CARE takes a multi-channel approach to our relationships with the private sector - engaging corporate foundations, business units both within the United States and around the world, employees, executives, consumers and other stakeholders to build mutually beneficial partnerships. To manage risk and opportunity appropriately and protect CARE's reputation and values, we abide by the CARE Corporate Engagement Guidelines which exist to provide some global consistency in approach and protect our brand across borders. For additional information, see Guidance and Revised Process for Corporate Engagement Review.

Private Donor Due Diligence – Just as CARE wants to ensure that its corporate giving program attracts donors with our shared values, CARE reserves the right to process the names of any individual donors through the LexisNexis® Bridger Insight® software program. For more information, please refer to CARE's Anti -Terrorism Policy.

Policies for Specific Gifts

At this time, the following gifts are largely presumed acceptable, subject to the conditions stated below. CARE also retains the right to decline a gift of any type at any time.

I. **Cash**

CARE accepts cash, check, electronic funds transfer, or credit card donations with the following limitations:

a. Cash and checks denominated in US Dollars are accepted;

b. Checks denominated in US Dollars must be drawn on a financial institution based in the United States;

c. CARE's bank will automatically convert many foreign currency denominated wire transfers (such as CAD, CHF, EUR, GBP, JPY, etc.) to US Dollars. There are exceptions however for many non-major currencies. For questions about non-US Dollar currency wires, please consult the appropriate CARE representative in the Treasury unit;

d. Credit Card donations: CARE accepts only credit card donations from the U.S.

II. Securities

a. Publicly Traded Securities

Marketable securities are accepted by CARE. Generally, all marketable securities must be sold at the first available opportunity. In no event shall an employee or volunteer working on behalf of CARE commit to a donor that a particular security will be held by CARE. The Finance Revenue Team is responsible for providing a value of the donation based upon the date on which CARE received the donation into its stock gift clearing account. The Treasury Unit will coordinate the sale of publicly traded securities. In accordance with standard gift reporting guidelines, neither losses nor gains realized through the sale of the stock by CARE, nor brokerage fees or other expenses associated with the transaction, will affect the reported gift value.

b. Securities Traded on Exchanges Outside of the United States

CARE will accept donations of all publicly traded securities that trade on foreign exchanges provided that such securities may be accepted and liquidated by CARE's gift clearing agent. The prospective donor of such securities should first either consult CARE's stock clearing agent directly or the appropriate CARE representative in Finance for confirmation.

c. Privately Held Securities and Closely Held Securities

CARE generally does not accept donations of privately held securities, i.e., any security that is not traded on a public exchange or closely held securities, which are stocks that are held by a small number of investors and trade irregularly and infrequently, making it difficult to value or sell them.

d. Refunds Related to Security Donations

In the event that CARE has received a donation of securities into its security gift clearing account but the donor would like to recall this donation of securities, the donor must initiate such recall through their broker by communicating with CARE's stock gift agent in order to coordinate a return of the shares to the donor's brokerage account.

If CARE has sold the securities prior to the donor's attempt to void the donation, CARE may effect a refund to the donor based on the actual US Dollar proceeds from the sale of the donated shares, less fees.

III. Pledges - Written Pledges are to be counted as fundraising credit in full during the period that the firm commitment was made. Only donation pledges will be counted as Fundraising credit. Examples of written agreements that do not qualify as pledges include but are not limited to the following:

- Consulting contracts
- Commitment to reimburse donor trips or any other expenses.

Written confirmation of a pledge can be either an email or a signed pledge form.

IV. **Donor Advised Fund (DAF) Gifts** – CARE accepts gifts in the form of DAFs on a regular basis. Per policy, the donor, when known, will receive hard credit for the gift and the DAF will receive soft credit.

V. **Bequests -** Donors and supporters of CARE are encouraged to make bequests to CARE through their wills and trusts.

VI. **Retirement Assets** - Donors are encouraged to name CARE as beneficiary of their retirement plans. Such designations will not be recorded as gifts until such time as 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.

VII. **Life Income Agreements**

a. **Charitable Gift Annuities**:
CARE offers charitable gift annuities to donors interested in life income gifts. The minimum gift for funding is $25,000 (as of 7/1/2021). Exceptions to this minimum may be granted to previous annuitants. For a single life annuity, donor must be a minimum of 70 years old to begin receiving payouts. For a two-life annuity, the minimum ages are 70 and 65 (As of 7/1/2023).

b. **Charitable Remainder Trust**
A charitable remainder trust is an irrevocable qualified trust in which a donor gives cash or assets to the trust, allowing the payment of income to one or more persons for their lives or a term of years. At the end of this time, the trust's assets are given to CARE. As a general policy, CARE will not serve as a trustee; however, in an exceptional case, CARE would review a request for trusteeship. In this case, CARE may serve as trustee upon review and approval by Finance and if the trust meets the following requirements at a minimum: the trust must be irrevocable, CARE must be the primary beneficiary, and the value to CARE must be at least $1 million.

c. **Pooled Income Fund**
CARE maintains a Pooled Income Fund for its donors. A Pooled Income Fund gift is established when the donor transfers cash or securities to the trustee under an agreement in which income is paid for one or two lives. Upon termination, the remaining assets are transferred to CARE.

VIII. **Third Party Trusts -** CARE is the beneficiary of a variety of different trusts that are managed by donors' financial institutions. These may include marital trusts, special needs trusts, QTIP trusts, etc**.**

IX. **Charitable Lead Trusts** - CARE may accept a designation as income beneficiary of a charitable lead trust. Prior to acceptance, all lead trust agreements shall be reviewed by the Executive Director of Planned Giving. The Board of Directors will not accept an appointment as Trustee of a charitable lead trust. As a general policy, CARE will not serve as a trustee; however, in an exceptional case, CARE would review a request for trusteeship. In this case, CARE may serve as trustee upon review and approval by Finance and if the trust meets the following requirements at a minimum: the trust must be irrevocable, CARE must be the primary beneficiary, and the value to CARE must be at least $1 million.

X. **Real Estate** - Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. While CARE generally refuses gifts of real estate, it is possible that in some cases CARE would be willing to explore an opportunity. In that case and prior to acceptance of real estate, CARE requires an initial environmental review of the property to ensure that the property has no environmental damage. If the initial inspection reveals a potential problem, CARE will retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor.

When appropriate and if CARE determines it's favorable to proceed, a title binder shall be obtained by CARE prior to the acceptance of the real estate gift. The cost of this title binder shall generally be an expense of the donor. Prior to acceptance of the real property, the gift must be approved as outlined in the section *Acceptance of Gifts Which Deviate from Policy* and by CARE's legal counsel in accordance with the CARE's. See Gifts of Real Estate Policy.

XI. Retained Life Estates

CARE will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. When CARE receives a gift of a retained life estate, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary. CARE reserves the right to refuse any life estate donation.

XII. Life Insurance

CARE will accept gifts of life insurance policies where CARE Is named as beneficiary.

XIII. Gifts to Endowment

CARE's endowment assets provide a self-sustaining source of funding specific to the purpose stated in each endowment agreement. CARE's endowment assets consist of the following:

Permanent Endowments—Consist of funds permanently set aside (restricted by a mutually agreed upon Endowment Agreement) to generate income for CARE to be spent for broad or specific purposes. When a donor limits the use of endowed funds, the endowment gift is considered restricted; when the donor leaves spending discretion to the nonprofit, the endowed gift is unrestricted.

Term Endowment – Is a non-perpetual gift, in which the principal is restricted for a specific period and used to fund CARE's mission, specific program or geographical area and governed by a mutually agreed upon Endowment Agreement that specifies the withdrawal amounts. The time period for a Term Endowment shall be no less than five (5) years and no more than twenty (20) years. After the expiration of the time, CARE may use any remaining funds such as interest earned or principal for operational purposes.

CARE Endowment Fund—CARE maintains a select group of endowed assets ("CARE Endowment Fund" or "the Fund") which are invested for the purpose of generating 5 percent of the three-year rolling average of the Fund's aggregate market value. This sum is paid out annually to support expenses based on each endowment's restrictions—Annual market appreciation of the Fund's value – in excess of the 5% rolling average – is retained in order to support the Fund's overall growth.

An Endowment Agreement between the donor and CARE is required to clearly define the purpose of the fund and any limits on its term. In many cases, Wills and Trust agreements may provide for the establishment of the endowment and its purpose. However, CARE may require an additional agreement when needed.

CARE accepts gifts of $100,000 or more for unrestricted endowments. Regardless of the amount, if the endowment agreement from the donor contains no restrictions on the purpose or use of the funds, it will be placed in the CARE Endowment Fund. As previously noted, any stipulations contained in the endowment agreement will result in the endowment being restricted. The minimum donation to establish a restricted endowment is $300,000.

Endowments may be named to honor family and friends.

CARE's endowment assets are managed by a professionally staffed investment organization.

XIV. **Cryptocurrency** – CARE will accept gifts of cryptocurrency (also referred to as "digital currency" or "virtual currency") provided the following conditions are met as outlined in the current Cryptocurrency Policy.

XV. **Contribution in-Kind (aka Gifts In-Kind, GIK or CIK)**
Contributions in-Kind, or Gifts in-Kind, are any non-cash donation from individuals and businesses to a charity. Common examples are food, clothing, prescription drugs, equipment and medical supplies, pro bono consulting or legal services, public service announcements. The Finance Revenue team evaluates the documentations to determine if CIK Revenue can be recorded.

XVI. **Restricted Grants**
CARE accepts grants that are restricted to a specific program or initiative to help CARE achieve its mission. CARE also retains the right to decline a gift of any type at any time. For more information on the process for accepting restricted grants, please refer to the Agreement Management Policy.

XVII. **Gifts Generally Not Accepted by CARE**
The following donations are generally not accepted by CARE. This list includes, but is not limited to the following items; however, if a question regarding receipt of a gift arises, the question must be directed to the group named in the POLICY STATEMENT section above for vetting/evaluation.

- Boats not considered yachts (canoes, row boats, etc.)
- Manufactured or mobile homes
- Motorhomes
- Planes and jets
- Gas Oil and Mineral Rights
- Patents, Copyrights, and Royalties
- Livestock and Pets
- Tangible Personal Property (jewelry, art, etc.)
- Real estate
- Donations of any type from terrorists or other controversial figures.
  See Antiterrorism Policy and Procedures

Compliance with Charitable Donations Substantiation Requirements

IRS Publication 1771, Charitable Contributions–Substantiation and Disclosure Requirements, explains the federal tax law for organizations, such as charities and churches, that receive tax-deductible charitable contributions and for taxpayers who make contributions. The IRS imposes recordkeeping and substantiation rules on donors of charitable contributions and disclosure rules on charities that receive certain quid pro quo contributions.

- Donors must have a bank record or written communication from a charity for any monetary contribution before the donors can claim a charitable contribution on their federal income tax returns.

- Donors are responsible for obtaining a written acknowledgment from a charity for any single contribution of $250 or more before the donors can claim a charitable contribution on their federal income tax returns.

- Charitable organizations are required to provide a written disclosure to a donor who receives goods or services in exchange for a single payment in excess of $75.

For more information, see IRS Charitable Contributions Substantiation and Disclosure Requirements.

RESPONSIBILITIES

To ensure the understanding of and compliance with the gift acceptance policies, it is the responsibility of each hiring manager in the Resource Development Department to provide a complete copy of the policy to each new hire in the department. A copy of the most current version of the Gift Acceptance Policy will be maintained on the CARE USA policies sharepoint . Departments outside of Resource Development but related to the business of fundraising, such as Finance and Treasury, will be responsible for understanding and implementing these outlined policies as well.

REFERENCES AND ASSOCIATED POLICIES

I. Donor Bill of Rights
II. CARE's Privacy Policy
III. CARE's Conflict of Interest policy
IV. Philanthropy Protection Act of 1995
V. CARE Corporate Engagement Guidelines
VI. Agreement Management Policy
VII. CARE's Anti -Terrorism Policy
VIII. Gifts of Real Estate Policy
IX. Cryptocurrency Policy
X. IRS Charitable Contributions Substantiation and Disclosure Requirements

Additional guidance can be find at: Gift Acceptance Policy Appendices