



LITTLETON PUBLIC SCHOOLS FOUNDATION GIFT ACCEPTANCE POLICY

GENERAL PURPOSE

The purpose of this policy is to establish the guidelines and process for acceptance and receipt of donations to the Littleton Public Schools Foundation (LPSF) to ensure that all gifts to LPSF properly further its mission and that no gift will compromise the ability of LPSF to accomplish its goals or jeopardize its exempt status as a qualified 501(c)3 organization.

The responsibility of LPSF is to productively pursue gifts that will further its mission, goals, and objectives.

While this document is intended to provide guidance to LPSF regarding its acceptance of gifts and prospective gifts, donors are ultimately responsible for ensuring that the proposed gift furthers their charitable, financial, and estate planning goals. The valuation of a gift for tax purposes is the sole responsibility of the donor. LPSF does not provide formal legal, accounting, tax, or other advice to prospective donors. Therefore, each prospective donor is urged to seek the advice of independent legal, tax, and estate planning counsel in the gift planning process.

In certain cases, a gift may be considered inappropriate due to the form of the gift or particular restrictions on the use or application of the gift imposed by the donor. This policy provides guidelines around the acceptability of such forms of gifts and restricted gifts. In any event, a gift cannot be associated with a private benefit that would jeopardize the charitable status of LPSF.

FORMS OF ACCEPTABLE GIFTS

As a general matter, acceptable gifts (other than donations of service or acceptable in-kind gifts of personal property), whether current gifts or pledges or bequests of future gifts, must be in the form of (i) cash, or (ii) other forms of property that are convertible to cash promptly following receipt of the gift without any significant expenditure of cash or the incurrence of any significant liability by LPSF.

- **CASH/PUBLICLY TRADED STOCKS AND BONDS**

LPSF shall accept cash, checks, and other related “cash” gifts. Also, LPSF may accept publicly traded stocks and bonds, as long as they are listed on at least one of the major stock exchanges. LPSF recognizes that it must establish a brokerage account to accept

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any such gifts of securities, which will require the approval of the Finance Committee. Generally any such gifts will be liquidated promptly following receipt.

- **PLEDGES**

LPSF shall accept pledges for future gifts, so long as there is some form of written, signed documentation that clearly delineates the intent of the donor with respect to the timing, amount and payment of the gift.

The following minimum information must exist to substantiate a pledge:

- The amount of the pledge must be clearly specified.
- There should be a clearly defined payment schedule.
- The donor may not prescribe contingencies or conditions, other than the passage of time, on the payment of the gift.
- The donor must be considered to be financially capable, in the reasonable discretion of the Executive Director, of making the gift. For purposes of determining financial capability, the Executive Director may request financial statements or other relevant supporting financial information from the donor, and shall consult with the Finance Committee as necessary to make a determination.
- Changes to original pledges must be documented in writing.
- The pledge must be payable in no more than five years, unless a longer payment period is approved by the board.

With respect to recording a pledge:

- Any matching gifts associated with pledges will not be recorded until received.
- Pledge balances will be written off when the Foundation is notified of a donor's death, unless there are provisions in the donor's will or other probated estate documents for the payment of the pledge or the family notifies LPSF in writing that it has assumed the obligation to complete the pledge.

- **PLANNED GIFTS**

LPSF shall accept bequests that are included in an individual's estate plan in the form of a properly executed and, to the extent legally required, properly probated, trust or will.. To name LPSF as a beneficiary, the trust or will should use this language: "The Littleton Public Schools Foundation in Littleton, CO (FEIN 84-1185005)." The donor may designate its bequest for a specific purpose so long as it is in accordance with the LPSF mission and Gift Acceptance Policy.

LPSF may accept gifts that meet the requirements of acceptable gifts under this policy as a part of the following testamentary gifts:

- Residuary Bequest – The donor may state that all or a portion of his/her estate be given to LPSF after specific amounts are distributed to other beneficiaries.
- Specific Bequest – The donor may stipulate that a certain percentage of his/her estate, or a certain dollar amount, or particular assets that meet the requirements of acceptable gifts be given to the Foundation

IN-KIND GIFTS AND DONATIONS OF SERVICE

In-kind gifts of noncash property will generally not be accepted unless they are directly related to an LPSF event or LPSF office operations. However, the Executive Director, in consultation with the school district, may use his/her discretion to accept non-cash in kind gifts that are directly usable within the school district. LPSF may accept donations of service from volunteers that are directly in furtherance of its mission, programs, operations and sponsored events.

GIFTS OF SIGNIFICANT RISK

“Gifts of significant risk” are gifts of non-cash property that is not convertible to cash promptly following receipt and, during the period of ownership by LPSF, would (i) be subject to unpredictable fluctuations in value, (ii) obligate LPSF to pay taxes, insurance, maintenance, support or other costs associated with the gifted asset, (iii) expose LPSF to any potential liabilities in connection with or attributable to the gifted asset, or (iv) potentially deter other donors from making gifts to LPSF by creating the impression of its receipt of a significant gift that in fact may not be received for an extended period of time. The following are examples of gifts of significant risk:

- Gifts of real property
- Gifts of unregistered securities or other business ownership interests
- Insurance policies
- Gifts of personal property, if not directly used or useable by LPSF. the district or a school
- All gifts of unusual items or gifts of questionable value

Generally, it is the policy that LPSF will not accept gifts of significant risk. However if a particular proposed gift falls into the definition of a gift of significant risk but the Executive Director nonetheless believes that the gift would be appropriate and of particular value to LPSF, then such proposed gift may be accepted following the proper prior review and approval of the Executive Committee. In such a case, the Executive Committee will seek the advice of external experts, as necessary or appropriate, to evaluate and mitigate the costs and/or liabilities associated with the gifted asset.

GIFT RESTRICTIONS

It is the general policy of LPSF that it will accept only gifts that are not subject to donor-imposed restrictions on the use or application of the gift, ***except for*** restrictions that require

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that the gift be used for or applied to (i) LPSF's endowment, or (ii) District-, school- or teacher-specific programs, grants or purposes specifically established, designated or approved by LPSF.

- **UNRESTRICTED GIFTS**

Unrestricted gifts - ie, gifts made without donor-imposed restrictions as to LPSF's use and/or application of the gift - shall be encouraged unless (1) the donor indicates that he or she is willing to make a restricted gift only or the option of a restricted gift significantly increases the chances of receiving the gift from the donor, and (2) the restrictions imposed by the donor are consistent with LPSF's mission, purpose, policies, and status as a 501(c)3 organization.

All unrestricted gifts shall become a part of LPSF's general operating funds, unless the Executive Committee determines a particular unrestricted gift should be allocated to a specific purpose or fund.

- **PERMANENTLY RESTRICTED GIFTS**

Permanently restricted gifts shall be directed to the Foundation's Endowment Fund and managed in accordance with the endowment agreement. Separate endowment funds will not be established for donations less than \$100,000 and, in any such case, will require the execution of a separate endowment agreement approved by the Board.

- **DESIGNATED GIFTS**

Gifts that are restricted by the donor to be applied to a specific, stated purpose will be accepted if they are designated to be applied to (i) a specific fund or purpose within the District previously established or designated by the Foundation, or (ii) a program, grant or purpose identified by the donor in a specified District school, PTO or classroom, which the Executive Director has determined the specified school, PTO or classroom is willing and authorized to accept. In the case of donations under clause (ii), an administrative fee of the higher of \$5.00 or 5% of the amount of the gift be will be assessed to cover the costs of administering the proper processing and payment of the funds to the designated purpose. In order to ensure that the vast majority of donations to LPSF are used to fund programs and purposes *within* the District that support the greatest number of students possible, with the exception of the four annual LPSF scholarships granted to graduating LPS seniors it is the general policy of LPSF not to accept gifts that are designated for scholarships.

MATCHING GIFTS

If a donor notifies LPSF that the donor is entitled to receive matching donation monies from an employer, LPSF will provide the necessary documentation, either to the donor to provide to the employer or to the employer directly, in order to receive the matching donation. If the donor's gift is (i) unrestricted, (ii) permanently restricted as a contribution to the endowment, or (iii) designated for a specific fund or purpose within the District previously established or designated by the Foundation, then

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no administrative fee will be charged on the amount of the underlying gift or the matching employer donation. If the donation to be matched is designated by the donor as a restricted gift under clause (ii) of the Designated Gifts section above, then the administrative fee applicable under that clause will apply to the donor's gift, but will not be charged with respect to the amount of the employer's matching donation. If the donor elects to increase the amount of the gift to cover the administrative fee, that amount will not be included in the amount of the gift used to calculate the fee.

NAMING OPPORTUNITIES

LPSF cannot offer naming opportunities for any facility or program owned, operated or provided by Littleton Public Schools without the specific involvement and approval of the Littleton Public Schools Board of Education. LPSF will consider naming opportunities for donations in excess of \$50,000 that are made to fund designated district, school or classroom programs established and administered by LPSF that further the LPSF mission.

RECORDING OF GIFTS

Recording of all gifts shall be the responsibility of the Executive Director or the Executive Director's designee, who shall:

- Record all gifts, pledges and bequest distributions to LPSF in compliance with IRS regulations and acceptable accounting practices.
- Promptly provide written acceptance, acknowledgment and thanks to all donors for all gifts to LPSF.
- Issue a receipt for all gifts, whether of cash, pledges, bequests, service or gifts in kind. Valuation of service and/or gifts in kind or other non-cash gifts shall be determined by the donor in writing and not by the Foundation.

UNDERSTANDING OF POLICY

As a fundraising organization, it is important that all LPSF Board members have a thorough understanding of the LPSF policy regarding the acceptability of donations that they solicit. Accordingly, this policy should be made available to and carefully reviewed by all Board members, including as part of their initial orientation.