



GIFT ACCEPTANCE POLICY

#P-2018.04.05-3

OVERVIEW

The purpose of this Gift Acceptance policy is to give guidance and counsel to those concerned with soliciting or receiving gifts. To prevent misunderstandings, these guidelines should be viewed as flexible and realistic in order to accommodate unpredictable fundraising situations and donor expectations. Such situations and expectations, however, must be consistent with the spirit of this policy.

The Sonoma Valley Hospital Foundation accepts gifts for the following purposes: Capital expenditures, renovation and new construction of hospital buildings, equipment purchases, medical and other professional health care education, community health education, specific health care programs, medical research, patient care and hospital operations. In addition, the Foundation may raise funds to underwrite new programs and services, or underwrite campaigns.

A gift is defined as a voluntary transfer of assets from a person or organization to a Foundation where no goods or services are expected, implied or forthcoming for the donor. The gift is motivated by charitable intent and can be designated for unrestricted or restricted general areas of use. Once the Foundation accepts a gift, it becomes Foundation property.

The Foundation reserves the right to review all gifts prior to acceptance to determine the appropriateness of the gift, and to determine whether the Foundation may comply with the donor's wishes regarding restricted uses.

TYPES OF GIFTS

Gifts can be: unrestricted or restricted.

An unrestricted gift is made with no stipulation as to its purpose and is credited to "area of most need" within the Foundation's records. The Foundation transmits donations to the District in accordance with the Foundation's Memorandum of Understanding with the Sonoma Valley Health Care District. All endowment funds will be held by the Foundation and invested per the policies and guidelines of the Foundation.

Restricted gifts are gifts made with a stipulation by the donor as to its specific purpose or use. The Foundation will accept gifts for specific programs and purposes stipulated by the

donor, provided that such gifts are consistent with the stated mission, purposes and priorities of the District. Such gifts may be:

- Temporarily restricted, which means the gift will be expended for the designated purpose or used within a reasonable period from the date of the gift; or
- permanently restricted, which means the gift will be placed in the Foundation's Endowment Fund.

The Executive Director of the Foundation, in consultation with the CEO of the Hospital, will also determine if that gift would require a major capital expenditure, creation of a new program, or other burden on the part of the hospital to comply with the donor's restriction, or if the restriction is in conflict with any known laws or with the District's strategic plans for the Hospital, and make recommendation to the Foundation's Board of Directors for final decision.

In the case of restricted gifts that cannot be accepted, the Foundation's Executive Director will make every effort to work with the donor to complete the gift in an acceptable manner. If no agreement can be made, the gift will be returned or declined in its entirety.

The Foundation accepts the following gifts:

- **Cash Gifts:** Cash, checks, money orders, cashier's checks currency and charges to approved credit cards. These can be an outright gift or pledge over a specified time period.
- **Non-Cash Gifts:** Bonds, securities, trusts, bequests, real property, personal property, gifts in kind to be used in the form in which given; royalties, copyrights, trademark rights, insurance policies naming the Foundation as beneficiary in whole or in part, or other forms of non-cash or non-cash equivalents. Gifts of tangible property both real and personal shall be immediately sold unless the Foundation Board of Directors or its advisors determines that it is in the Foundation's best interest to retain the property.
 - **Securities:** The Foundation accepts gifts of marketable securities unless they cannot be assigned, have no apparent value or could create a liability for the hospital.
 - **Gifts in Trust/Endowment Funds:** The Foundation accepts gifts in trust and other planned gifts such as annuities, insurance, bequests and restricted special gifts that are put into an endowment fund to generate income for future use.
 - **Real estate:** Real estate will be accepted only after consultation with Foundation attorneys, and agreement with the Foundation's Board and the Hospital CEO. The property's condition, clear title, marketability, carrying costs, pending sale, and other relevant financial and environmental considerations will be evaluated through an inspection. Property value must

be determined by an unrelated third party licensed appraiser. The fees incurred are the obligation of the donor, although the Foundation staff will likely work with the donor to ameliorate the costs. Note: these guidelines are also applicable to gifts of a personal residence from a donor's life estate.

- **Gifts in kind:** An in-kind or non-cash charitable donation is a gift that is to be used in the form it is given, such as equipment, supplies or services. The Foundation requires all of the same information regarding a gift-in-kind that it does for cash or tangible donations: i.e., donor's name, mailing address, contact information, description of gift, etc.
- **Tangible personal property:** Tangible personal property, such as artwork or collectibles, will be received only on approval of the Foundation. The property's condition, marketability, potential liabilities and other relevant financial considerations will be evaluated through an unrelated third-party certified appraiser. Title to gift property should be transferred to the Foundation unencumbered and properly documented. The Foundation will sell or liquidate any gift property as soon as a value is established.
- **Automobiles and other vehicles:** The Foundation accepts gifts of vehicles that are in working order and salable. The Foundation may sell the donated car, may donate it to a District department in need of a vehicle or may use a third-party auction house to liquidate the vehicle. (Note: IRS regulations require that the use/disposition of the vehicle be determined at the time of transfer to the Foundation. Foundation staff will work with the donor to establish the anticipated use of the vehicle).
- **Life Insurance:** The Board of Directors of the Foundation will determine if a gift of insurance is acceptable, taking into account the rating of the issuing company and other terms of the policy. The Foundation must be named as both beneficiary and irrevocable owner of any insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. The policy should be "paid-up," with no additional premiums required; a policy with outstanding loans against it will be refused.
- **Anonymous Gifts:** Donors may elect to make any gift anonymously. Such gifts may be made personally by the donor with a request that s/he remain anonymous, or they may be made with the assistance of the donor's advisor (e.g. attorney). However, "anonymous" is not to be misconstrued as unknown to the Foundation. In order to properly acknowledge the donor and for IRS tax reporting purposes, all donor data must be made available to the Foundation.
- **Tribute or Memorial Gifts:** Memorial gifts enable donors to honor a special person or occasion. Commemorative gifts are considered unrestricted unless restricted by the donor.

- **Employee Gifts via Payroll Deduction:** Employees may arrange through Human Resources to have a pledge deducted from their paycheck to be directed to a gift fund. This may be an ongoing commitment or an annual or one-time pledge. Payroll pledges are recorded as annual pledges, with durations of not more than one year. The deductions will automatically be canceled upon employment termination.
- **Other Forms of Gifts:** The Foundation may accept other forms of gifts not listed here with the approval of the Board of Directors of the Foundation.

All gifts made in support of the Hospital District shall be made payable to Sonoma Valley Hospital Foundation, including checks and other negotiable instruments. Title to other types of assets given in support of the Foundation, shall be conveyed to the Foundation, including real and personal property, securities and life insurance. Gifts of tangible property, both real and personal, shall be immediately sold unless the Foundation Board determines that it is in the Foundation's best interest to retain the property.

RECEIVING PERSONAL ITEMS

All personal property accepted by the Foundation will be held in a secure manner under dual control, with security protocols established with the Hospital President/CEO at the time of acceptance. Because each gift will vary significantly, it is impossible to anticipate the proper storage needs for every possible donation (i.e. jewelry versus automobiles). However, it is critical that all departments adhere to the following procedure:

- On receipt of any donation, the receiving department must contact the Foundation on the day of receipt, but in any case no later than the first business day following the day of receipt. The Foundation will work with the Hospital President/CEO to ensure proper credit for the donor and proper disposition of the item.
- On receipt of any individual item* valued at \$500 or more, the Foundation office must be contacted by the next business day to evaluate the donation and determine proper next steps. An initial valuation is based on either the donor's claim of value, or the Foundation's estimation, whichever is higher. The Foundation office will take necessary steps to obtain possession of the physical item from the department or work with the donor to obtain possession.
- The item will be appraised and sold per the above policies.
- The Foundation will supply the donor with all necessary receipts and IRS paperwork.
- The funds will be held for the District with proper credit to the program, service, endowment, or capital needs of the District as directed by the donor. Should the donor not specify a preference, the funds will be credited to unrestricted funds.

*Note: an "individual" gift or item includes collections or sets

GIFT APPRAISAL AND/OR VALUATION

Current IRS regulations will be observed when calculating the charitable contribution deduction value of gifts. It is the donor's responsibility to obtain any appraisals needed for tax purposes. Non-cash contributions with an estimated value over \$500 shall comply with IRS Form 8283 (Non-Cash Charitable Contributions). Fees incurred for the advice and assistance of specialists during this process are the obligation of the donor, or will be deducted from the fair market value of the donation as recorded by the Foundation.