



Gift Acceptance Policy

(revised 8/2023)

SUMMARY

Senior Friendship Centers, Inc. & Senior Friendship Centers Foundation, Inc., a not-for-profit Florida corporation (the “**Corporation**”), encourages the solicitation and acceptance of gifts that can be used or expended consistently with the values, the purpose, and mission of the Corporation. To protect the interests of the Corporation and the persons and other entities that support its programs, the Gift Acceptance Policy (the “**Policy**”) is designed to assure that all gifts to or for the use of the Corporation are structured to provide maximum benefits to both parties. The definitions and procedures for gift acceptance, the use of funds, and the recognition of donors are contained within this policy. The responsibility of the Fund Development Committee (the “**Committee**”) is to review the proposed gift agreements, properly screen/select donations, and accept or decline a gift. In addition, they will review this policy at least every five years and make recommendations for its revision as needed. In certain situations, the Committee may refer a gift proposal to the Corporation’s Board of Governors for a final decision. The Committee and/or Chief Development Officer or President & CEO may consult with external legal counsel and other professionals as deemed appropriate.

GUIDING PRINCIPLES AND VALUES

The purpose of this policy is to maintain the integrity of the Corporation when accepting gifts and recognizing donors. The policy is also intended to protect donors of the Corporation. Accordingly, all gifts to the Corporation shall be governed by this policy. The Corporation is committed to the highest ethical standards. The Committee and staff at all levels of the Corporation shall adhere to the Code of Ethical Standards adopted in 1964 and amended in October 2014 by the Association of Fundraising Professionals. See Attachment A.

DEFINITIONS

Deferred Gift

A gift that takes effect in the future, such as bequest that is a gift through a will, upon the death of the donor.

Designated gift

A gift where the donor directs that either the principal if unrestricted, or the annual investment return if restricted, be used for a particular purpose.

Endowment Fund

Either a permanently invested fund where only the annual income may be spent, or a fund where the capital may be drawn down over a period of time. Endowments may be created by a donor restricting their gift. In this case a trust has been created with the Corporation as trustee. Also, a fund or funds that have been restricted to the use of the annual investment return by policy of the Corporation.

Fiduciary

From Latin “Fiducia”, meaning “Trust”. A person (or a business like a bank or stock brokerage) who has the power and obligation to act for another (often called the Beneficiary) under circumstances which require total trust, good faith and honesty. The most common is trustee of a trust, but fiduciaries can include business advisers, attorneys, guardians, administrators of estates, real estate agents, bankers, stock brokers, title companies, or anyone who undertakes to assist someone who places complete confidence and trust in that person or company.

General Endowment Fund

A collection of gifts that have been restricted by the donor(s) or by the Corporation’s policy and are not designated for a particular purpose.

Named Fund

A permanent fund or a fund named but expended over a period of time that is identified with a name selected by the donor.

Outright Gift

A gift that takes effect immediately.

Planned Gift

Any type of outright or deferred gift involving the assets of the donor, and often requiring the assistance of a financial, legal or accounting professional to help complete the gift.

Restricted Gift

A gift which is utilized for a designated purpose and/or use recommended by the donor or a gift where the principle is preserved and the interest or a part of the interest is expended.

Article 1: PURPOSE

The purpose of this Gift Acceptance Policy (the “**Policy**”) is to provide guidelines for the acceptance or non-acceptance of gifts by the Corporation and to provide guidance to prospective donors and their advisors. This Policy applies to all prospective gifts to the Corporation. Grants received by the Corporation shall not be treated as gifts and are not subject to this Policy.

A well-considered Policy will anticipate issues with certain types of gifts and attempt to minimize problems arising from those issues.

Article 2: GIFT REVIEW AND ACCEPTANCE PROCESS

2.1 REVIEW

Proposed gifts, whether current or deferred, will be evaluated on a case-by-case basis in accordance with this Policy and any other policies and procedures established by the Corporation. Different types of gifts will require different types of review. For example, gifts of real estate will require significant review, while gifts of cash generally will not. The process for evaluating gifts of certain types of property is set forth in Article 3 of this Policy. The Committee and/or the President & CEO and the Chief Development Officer will have the overall authority to handle inquiries, negotiate with the donors, assemble documentation, retain attorneys, accountants, appraisers, surveyors, realtors, and other technical consultants that may be required, and execute agreements on behalf of the Corporation in connection with the gift.

2.2 CORPORATION’S USE OF LEGAL COUNSEL

The Corporation will seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. Obtaining the advice of legal counsel is recommended for:

- a. certain gifts, such as gifts of closely held stock, partnership interests, membership interests, or other ownership interests subject to buy-sell agreements or other restrictions;
- b. gifts governed by a contract, or other legal document, such as gifts of real estate presently under contract, bargain sales, or other documents obligating the Corporation to undertake certain actions;
- c. gifts involving a conflict of interest, such as gift of real estate where a board member is acting as the sales agent or broker;
- d. gifts from an estate where the Corporation is the beneficiary; and
- e. other circumstances in which the Chief Development Officer or President & CEO believes that use of counsel is appropriate.

2.3 DONOR’S USE OF PROFESSIONAL ADVISORS

Donors and prospective donors will be urged to seek the assistance and advice from their own independent advisors, including but not limited to legal, tax, and financial advisors, where appropriate, in connection with making a gift to the Corporation. The Corporation will generally not pay for legal, accounting, tax, or financial advice, appraisals, or other expenses on behalf of the donor.

2.4 RESTRICTED AND UNRESTRICTED GIFTS

The Corporation will accept both unrestricted gifts and gifts restricted for specific programs or purposes provided that such restricted gifts are consistent with the values, mission, and purposes of the Corporation.

2.5 ACCEPTANCE

A gift is not completed until it has been accepted by the Corporation. The Corporation reserves the right to decline any gift. Gifts that are accepted must be consistent with and serve the best interests of the Corporation. The Corporation may decline a gift because the gift (a) is not in the best interests of the Corporation, (b) is inconsistent with the values, mission, and purposes of the Corporation, (c) is too restrictive, (d) is too difficult or costly to administer or sell, or (e) for any other reasonable reason. Whether the Committee must approve the acceptance of a gift depending upon the type of gift, as provided in Article 3 of this Policy.

2.6 DONOR'S LIMITATION

No irrevocable gift, whether outright or life-income in character, will be accepted if under any reasonable circumstances the gift would jeopardize the donor's financial security. In addition, if there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to the Corporation, further investigation would be needed to satisfy these questions to determine if the gift would be accepted.

2.7 DONOR ACKNOWLEDGMENT AND RECOGNITION

All accepted gifts to the Corporation will be acknowledged by a letter and, in certain cases, by gift agreement. In the case of gifts of cash or other monetary consideration only, the letter may acknowledge the value of the gift. Any further recognition of a donor and their gift, including any naming rights, will be determined by the Corporation under the guidance of Article 4 and the Chief Development Officer or the President & CEO. Requests for donor anonymity will be honored.

Article 3: TYPES OF GIFTS AND EVALUATION PROCESS

3.1 CASH

Unrestricted gifts of cash in any form (including checks and credit card contributions) may be accepted and booked by Development staff at the direction of the Chief Development Officer and/or President & CEO. Restricted gifts of cash in any form (including checks and credit card contributions) may be accepted and booked by Development staff at the direction of the Chief Development Officer or President & CEO. If the Chief Development Officer or President & CEO has any question about the source of the gift or the proposed restriction of the gift, they shall consult with the donor or legal counsel or both before accepting and booking the gift.

All checks must be made payable to *Senior Friendship Centers* and shall in no event be made payable to an employee, agent, or volunteer for the credit of the Corporation.

3.2 PUBLICLY TRADED SECURITIES

Except as provided in this Section, the Corporation may accept gifts of securities regularly traded on a public stock exchange without the prior approval of the Committee. Publicly traded securities may be transferred to a brokerage account maintained by the Corporation or delivered physically with the transferor's signature or stock power attached. As a general rule, the Corporation will liquidate gifted publicly traded securities as

soon as possible. The Corporation may not accept gifts of publicly traded securities that are restricted by applicable securities laws without the approval of the Chief Development Officer or President & CEO. In no event shall an employee or volunteer working on behalf of the Corporation commit to a donor that a particular security will be held by the Corporation unless authorized to do so by the Chief Development Officer or President & CEO.

3.3 REAL ESTATE

With the prior approval of the Chief Development Officer or President & CEO, the Corporation may accept gifts of real estate. Generally, a gift of real estate should have a significant fair market value to be accepted. Real estate of minimal value should have sufficient value to cover direct costs of the sale as well as the cost of the Corporation staff time in managing the real estate and sale process. In evaluation whether to accept a proposed gift of real estate, the following are among the items to be considered: (i) usefulness of the real estate for the Corporation's purpose; (ii) the value and marketability of the real estate; (iii) whether there are any mortgages or encumbrances on the real estate; (iv) any restrictions, reservations, easements, or other limitations associated with the real estate; (v) any leases to which the real estate is subject; (vi) carrying costs for the real estate, such as insurance, ad valorem taxes, assessments, repair and maintenance expenses, or mortgages; (vii) costs associated with selling the real estate, such as sales commissions; and (viii) environmental issues with the real estate.

- a. Types of Real Estate Interests. The Corporation may accept a variety of interests in real estate, including a full, partial, life estate, remainder, or leasehold interest. The Corporation will not accept time shares.
- b. Liens, Mortgages, and Encumbrances. Real estate which is subject to liens, unpaid mortgages, deeds of trust, judgment liens, unpaid taxes or assessments, mechanics' liens, leases, or other encumbrances will be accepted only in exceptional circumstances and upon advice from the Corporation's legal counsel. If accepted by the Corporation, real estate which is subject to encumbrances will be evaluated as a "bargain sale" (i.e., an arrangement whereby a donor offers real estate to the Corporation for an amount less than its current fair market value).
- c. Documentation. The Corporation will review any relevant documentation in consideration of the proposed gift which may include, but is not limited to, a qualified appraisal, environmental assessment or audit, evidence of title, survey, association documents and restrictions, ad valorem tax information, proposed transfer instruments, and any proposed agreements or arrangements pertaining to the real estate. Such documentation and transfer documents must be reviewed by the Corporation's legal counsel.
- d. Sale. It should appear reasonably certain that the real property proposed to be transferred to the Corporation will be sold for a fair value as quickly as possible. In the alternative, it should appear reasonably certain that the real property will generate annual income sufficient to provide a reasonable rate of return. Whenever practicable, arrangements will be made to have a realtor analyze the real estate to evaluate for the Corporation the existence of a market for such real estate.

3.4 TANGIBLE PERSONAL PROPERTY

In evaluating whether to accept a proposed gift of tangible personal property (such as automobiles, jewelry, artwork, antiques, collections, or other personal property), the following are among the items to be considered; (i) usefulness of the property for the Corporation's purposes; (ii) the value and marketability of the property; (iii) whether there are any liens, security interests or encumbrances on the property; (iv) any

restrictions on the sale or display of the property; and (v) carrying costs for the property, such as maintenance and insurance.

- a. Documentation: The Corporation will review any relevant documentation in consideration of the proposed gift which may include, but is not limited to, a qualified appraisal, proposed transfer instruments, and any proposed agreements or arrangements pertaining to the property. Such documentation may be reviewed by the Corporation's legal counsel.
- b. Sale: As a general rule, gifts of tangible personal property are either put toward a related use to further the Corporation's charitable purposes or sold as soon as possible.

Such property can only be accepted by the Corporation, or such other person or persons authorized to do so by the Corporation.

No personal property shall be accepted by the Corporation unless there is reason to believe the property can be quickly disposed of. No personal property shall be accepted that obligates the Corporation to ownership of its use in perpetuity. No perishable property or property which requires special facilities or security to properly safeguard will be accepted without prior approval of the CFO/COO and the Committee.

Only the Committee or persons authorized by the Committee to do so may represent to a donor that property will or will not be held by the Corporation for a requisite period of time or for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that the Corporation will, as a matter of corporate policy, cooperate fully in all matters related to IRS or CRA investigations of non-cash charitable gifts.

3.5 CLOSELY HELD STOCK AND OTHER ENTITY OWNERSHIP INTERESTS

Non-traded securities may only be accepted after approval of the Committee and CFO/COO. Such securities may be subsequently disposed of only with the approval of the Committee.

With the prior approval of the Committee and the CFO/COO, the Corporation may accept gifts of closely-held (non-marketable) securities, such as stock in closely-held corporations, membership interests in limited liability companies, partnership interests in partnerships, and other entity ownership interests. In evaluating whether to accept a proposed gift of such types of securities, the following are among the items to be considered: (i) the value and marketability of the ownership interest; (ii) restrictions on the ownership interest, such as voting or sale restrictions, pursuant to a shareholder agreement, bylaws, voting agreement, operating agreement, partnership agreement, buy-sell agreement, or similar governance document; usefulness of the real estate useful for the Corporation's purposes; (iii) security interests or liens on the ownership interest; (iv) capital call obligations, indemnification and contribution obligations, and other obligations associated with the ownership interest; (iv) tax consequences of accepting the ownership interest, including unrelated business income tax issues; and (v) costs associated with selling the ownership interest.

- a. Documentation. The Corporation will review any relevant documentation in consideration of the proposed gift which may include, but is not limited to, a qualified appraisals; shareholder agreements, buy-sell agreements, bylaws, Articles of Incorporation, Article of Organization, Operating Agreements, Certificates of Partnership, Partnership Agreements, Buy-Sell Agreements, Voting Agreements, or other governance agreements; tax returns for the entity; financial statements for the entity; proposed transfer instruments; and any proposed

agreements or arrangements between the Corporation and the donor that pertain to be property. Such documentation must be reviewed by the Corporation's legal counsel.

- b. Nature of the Activity. Accepting ownership interests in S corporations, partnerships, and limited companies may expose the Corporation to unrelated business income tax. The Corporation's legal counsel or tax accountant must be consulted on these issues prior to accepting a gift of a closely-held ownership interest. The Corporation will not accept gifts of an ownership interest where the nature of the underlying entity's activities are not in the best interests of the Corporation.
- c. Sale. As a general rule, closely-held ownership interests should be sold for a fair value as quickly as possible. In the alternative, it should appear reasonably certain that the ownership interest will, through regular distributions, generate annual income sufficient to provide a reasonable rate of return. Whenever practicable, arrangements will be made to have a business valuation expert analyze the ownership interest to evaluate for the Corporation the value of the ownership interest.

3.6 PLANNED GIFTS

- a. Charitable Remainder Trusts and Charitable Lead Trusts: The Corporation may accept designation as a remainder beneficiary of a charitable remainder trust or a charitable lead trust.
- b. Charitable Gift Annuities: The Corporation may offer charitable gift annuities working through a community foundation or other financial entity.
- c. Beneficiary Designations: The Corporation may accept retirement plan beneficiary designations and life insurance beneficiary designations without the approval of the Committee. For purposes of this Policy, retirement plans include, but are not limited to, 401(k), IRA defined benefit, Roth IRA, defined contribution, and other qualified plans such as life insurance.
- d. Bequests: Gifts to the Corporation made pursuant to a donor's will or trust will be subject to this Policy in the same manner as gifts made during the donor's life. Donors who make bequests to the Corporation may be asked to disclose the relevant clause or documentation that evidences such a bequest in advance.

Article 4: ENDOWMENT FUND

4.1 NAMED ENDOWMENT FUND

The Corporation would establish an Endowment Fund by separate trust agreement, "The Fund." The Fund shall be governed by the Board of Governors. The Corporation may transfer gifts received to the Endowment Fund to be further administered by the Board of Governors. The minimum amount for a named endowment is \$100,000.

An "out clause" will be included should the donor's reputation become a problem for the Corporation.

4.2 GUIDELINES FOR CHANGES TO NAMED ENDOWMENT FUNDS

In the event that a restricted endowment fund ceases to be relevant to its intended purpose at Senior Friendship Centers, whether due to changes in technology, discontinuation of program, or substantial change in the mission of Senior Friendship Centers, it shall first follow the conditions set forth in the endowment agreement through their logical conclusion.

If such time has transpired where it is not feasible to honor the conditions set forth in the endowment agreement, the Board of Governors shall, at its sole discretion, either designate the fund to another needed purpose or transfer the fund balance into Senior Friendship Centers unrestricted endowment fund.

4.3 CUSTOMARY LENGTH OF TIME FOR DISPLAY OF NAMING OPPORTUNITIES

- a. Naming opportunities for buildings and spaces within are generally valid for as long as the space or facility exists or until such time as substantial renovation occurs (generally 7-10 years). For any exhibit, program space, or high-traffic space (e.g., a café or public function space), it is appropriate to place a specific time limit on the naming opportunity. Any such limits will be clearly articulated in the gift agreement.
- b. Naming opportunities are not transferable. The original donor or their family members may be offered first right of refusal on re-funding the naming opportunity through a gift at the appropriate level to support its renovation or the construction of a new facility.
- c. Donor walls or plaques listing gifts to a program or endowment fund (anything that's not a gift to name a space) may be relocated following the review by the Chief Development Officer, President & CEO, and with approval of the Board of Governors.
- d. Endowment recognition is "in perpetuity" and all recognition plaques shall automatically be relocated to an appropriate space on campus.

4.4 NAMED SPACES TRANSITION GUIDELINES

Prior to movement of named units, departments, or facilities, the Development Office shall review all naming opportunities contained within. A transition plan for all named spaces, other objects, or places of honor or recognition shall be drafted and presented to the Board of Governors for review and approval.

- 1) All named spaces that are associated with a gift agreement that do not fall within the Customary Length of Time for Display of Naming Opportunities section in this policy shall be honored if the agreement stipulates that the naming opportunity is "in perpetuity" or if the Board of Governors determines that there is compelling cause to retain and continue the naming opportunity.
- 2) Other spaces named in honor or memory of an individual(s) that do not have a specific obligation in a gift agreement may be transferred to another part of campus if:
 - a. The request or recommendation includes justification such as: donor designation of Senior Friendship Centers a beneficiary in a will, insurance policy, or planned gift; other future gift potential; sentimental value to a department, unit, or program whereby a specific request to maintain and transfer the naming opportunity is made.
 - b. It is reviewed by the Chief Development Officer or President & CEO and recommended to the Board of Governors.
 - c. It is accepted by the Board of Governors.
- 3) Portraits, artwork, statues, and the like may be transferred to new buildings and spaces and displayed in approved areas. Requests to transfer such works must be approved by the appropriate department head and the Development Office will be responsible for notifying the donor or surviving family members.
- 4) If a named space is not transferred to a new building or space, the Chief Development Officer shall consult with the Board of Governors to recommend whether the individual, family, or institution

should be notified. The Board of Governors, in consultation with the President & CEO and the Chief Development Officer, must approve the notification strategy.

Article 5: OTHER MATTERS

5.1 CONFIDENTIALITY

All files, records, and mailing lists regarding donors and donor prospects are confidential and will be only for the use of the Corporation. Donor lists will not be sold or given to the other organizations.

Information concerning all transactions between a donor and the Corporation shall be held by the Corporation in strict confidence and may be disclosed only with the permission of the donor.

All donor data is stored in a password protected database and security measures are reviewed regularly.

Senior Friendship Centers utilizes third party vendors, including Blackbaud, Constant Contact, and Givergy for data storage, gift processing, and communicating with donors and the community. These companies do not sell any personal information or share personal information with any third parties for targeted behavioral advertising. They also do not collect, use, or disclose any sensitive personal information, as defined under applicable state or federal law. They all maintain numerous security certifications, and our solutions meet rigorous international security and privacy standards, as validated by external auditors. Senior Friendship Centers is not liable for any external security breaches that might occur with external vendors.

5.2 TAX MATTERS

The Corporation will provide the donor with an acknowledgement customarily required for a donor to obtain a tax deduction, and the Corporation will file any IRS forms in a timely manner that are required to be filed by the Corporation in connection with the donation. The donor is solely responsible for determining gift valuations for his or her own tax purposes. If required, the donor will be responsible for obtaining a qualified appraisal or appraisal summary in compliance with the tax rules and regulations for the purpose of establishing the value of the gift. The Corporation will not establish or corroborate the value of, or furnish any appraisal or valuation for, any property for the purpose of substantiating the donor's income tax charitable deduction. All donations are tax-deductible as allowed by law. Please consult your professional tax advisor to ensure correct tax reporting.

The tax ID for Senior Friendship Centers is #59-1522614.

5.3 Pledges

In general, for pledges of \$25,000 or greater, a written Gift Agreement or Intent (or similar written documentation) signed by the donor will include a specific dollar amount, gift designation(s), and a fixed time schedule. For pledges under \$25,000, email documentation with the donor or some other non-signed documentation (like direct mail reply form or staff documentation of a conversation) is considered sufficient. Pledges are typically booked with payment schedules of up to five years.

5.4 COMPLIANCE WITH FLORIDA UNIFORM PRUDENT MANGEMENT OF INSTITUTIONAL FUNDS ACT

This policy shall be interpreted and applied in a manner consistent with the provisions of Section 61.2014 Florida Statutes, "Florida Uniform Prudent Management of Institutional Funds Act".

5.5 GIFT AGREEMENTS

Depending upon the type and nature of the gift, the Corporation should consider whether it is appropriate to enter into a gift agreement with the donor. See article 5.3.

5.6 MATCHING GIFTS

The Corporation will honor each organization's matching gift policies while optimizing matching opportunities as fully as reasonably possible.

5.7 AMENDMENT

The Board of Governors for the Corporation and the Committee has reviewed and adopted this Policy. This Policy may only be amended by the Board of Governors for the Corporation or the Committee.

5.8 POLICY REVIEW

The Committee shall periodically (but no less frequently than every five years) review this Policy to ensure that it continues to accurately describe the policies of the Corporation with respect to acceptance of gifts and shall propose the Board of Governors for the Corporation for adoption of those revisions that the Committee shall determine to be necessary or appropriate.

Attachment A

The Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities. To have access to the organization's most recent financial statements.
- III. To be assured their gifts will be used for the purposes for which they were given.
- IV. To receive appropriate acknowledgement and recognition.
- V. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VI. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- VIII. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- IX. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.