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| Hospice Gift Acceptance | **Last Revision:** | April 2013 |
| **Last Reviewed:** | September 2019 |
| **Applies to the following THA Group of Companies:** | * Island Hospice |
| **Included in the following THA Manual:** | Administrative Policies & Procedures  Ethics, Rights, & Responsibilities |

**PURPOSE**

THA Group is committed to upholding the highest ethical and legal standard. Island Hospice is a 501(c)(3) charitable corporation and as such will comply with the standards related to charitable gifts. This policy provides guidelines for representatives involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to Island Hospice. This policy is intended only as a guide and allows for flexibility on a case-by-case basis.

#### POLICY

The solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial and tax considerations and involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of Island Hospice.

**General Standards:**

1. The principal basis for making a charitable gift should be the desire on the part of the donor to benefit Island Hospice.
2. A full and accurate explanation by professional advisors of tax incentives for charitable giving and their implications is often necessary and appropriate. No program, agreement, trust, contract or commitment shall be knowingly urged upon any prospective donor, which would benefit Island Hospice at the expense of the donor’s interest and welfare.
3. The roles and relationships of all parties involved, including how and by whom each is compensated, must be fully disclosed to the donor. All personnel engaged by Island Hospice to contact prospective donors shall be either volunteers or paid a salary or a fixed wage but shall not receive commissions, which could give such personnel a direct beneficial interest in any agreement.
4. Island Hospice development staff at all times shall advise donors only in areas which they are professionally qualified and shall defer to other professionals and/or advisors as necessary. All potential donors shall be advised to use their own legal and tax counsel in matters relating to their planned gifts, tax and estate planning.
5. Representatives of Island Hospice shall exercise caution to avoid pressure, persuasion, or undue influence when informing, counseling or assisting a donor regarding gift planning concerns. This caution must include exercise of prudent consideration of the donor’s interest as well as his/her charitable objectives.
6. Only personnel approved by the Board of Directors shall be authorized to negotiate on behalf of Island Hospice with donors with respect to any current or planned gift. Island Hospice shall consult its own legal counsel in all matters pertaining to its planned gift program.
7. Island Hospice shall not take on the role of trustee of any planned gift vehicle. The Board of Directors may approve exceptions.
8. Island Hospice shall respectfully decline to accept any gift whenever there may be a reasonable question as to whether the donor has sufficient title to the assets or is mentally incompetent to legally transfer the funds to Island Hospice.
9. The Board of Directors may refuse a gift if there are prohibitive restrictions on the gift or if the gift is not mission appropriate.

**Type of Assets:**

1. **Cash:** Gifts in the form of cash and checks should be accepted regardless of the amount. All checks should be made payable to Island Hospice and shall be considered to be unrestricted unless otherwise designated. The date of the gift is determined to be the date the donor formally releases control of the asset in the case of cash or checks, it will be the date of delivery if in person, or the date of the postmark.
2. **Publicly Traded Securities:** Publicly traded securities may be accepted. Unless otherwise directed by the Board of Directors, all securities will be liquidated for cash as soon as practical. In no event shall an employee or volunteer working on behalf of Island Hospice commit to any donor that a particular security will be held unless authorized to do so by the Board of Directors. The value of the gift of securities is the average of the high and low prices on the day it was transferred.
3. **Closely Held Securities and Limited Partnership Interests:** All proposed donations of this type will be considered by the Board of Directors on a case-by-case basis. The Board of Directors shall consider:
   1. Estimated fair market value
   2. Any restriction on the time limits on the right to sell
   3. Potential liability from ownership,
   4. Potential tax or unrelated business income
   5. Potential problems from affiliation with the business of the issuer of the security

The general expectation is the non-publicly traded securities and limited partnerships interests may only be accepted after appraisal and approved by the Board of Directors, which will direct the time and process for sale of the assets. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

1. **Real Estate, Tangible Personal Property, And Unusual Assets:** All proposed donations of real estate or unusual assets shall be considered by the Board of Directors on a case-by-case basis. Donors must provide a qualified appraisal as to the value of such assets dated no earlier than 60 days before the proposed date of donation. The donor is responsible for obtaining and paying for the appraisal of the property. A visual inspection and environmental assessment will be required of all real estate. Considerations include:
   1. Marketability of the property
   2. Costs to administer, maintain, insure, secure, and sell the property
   3. Liability assumed (e.g. environmental hazards)
   4. Restrictions on use or sale
   5. Effect of ownership on non-profit status
   6. Licensing requirement or legal ramifications
2. **Types of Gift Vehicles**
   1. **Outright**, with or without restriction
   2. **Pledges** shall generally not exceed 5 years
   3. **Gifts by Will or Trust**, unless restricted by the donor, the Board of Directors will make appropriate and wise decisions regarding the use of the bequests.
      1. **Charitable Remainder Trusts** provide a residual interest in a specific asset for Island Hospice. Island Hospice may accept trusteeship of a CRT only if it is irrevocably designated as a beneficiary and with the approval of the Board of Directors.
      2. **Charitable Lead Trust** distribution shall be made in accordance with donor intent. Island Hospice shall not act as personal representative for a donor’s estate.
      3. **Charitable Gift Annuities** may be established with cash, marketable securities, real estate or a life interest in real estate, for one or two lives of persons age 50 or over. Terms to be defined by the Board of Directors.
3. **Gift Recognition Policies**
   1. The date of the gift is determined to be the date the donor formally releases control of the asset by the execution of stock powers or other transfer of title, or, in the case of cash or checks, the date of delivery if in person or the date of the postmark. Valuation and credit for a gift of securities will be based on the market value on the date of the gift.
   2. Island Hospice staff will acknowledge the gifts and will inform donors to their responsibility to substantiate any value claimed. Internal determination of the value for fund raising records will be made by Island Hospice and will exclude costs for maintenance, insurance, real estate taxes or broker’s commission and other expenses of holding and sale.
   3. With regard to in-kind, non-cash donations, Island Hospice will inform the donor that they should file IRS Form 8283 and Island Hospice is obligated to file IRS form 8282 if the gift is sold within two years.
4. **Restricted gifts** must be accompanied by a written intention by the donor to make the gift and a statement defining the restriction of the gift.

1. **Donor Information** relating to gifts, estate planning, or the nature and value of assets shall be kept strictly confidential by Island Hospice unless otherwise authorized by the donor to use selected information for purposes of referral, example or testimonial.