

**Gift Acceptance
Policy and Procedures
for
St. Labre Indian School
Educational Association**

**Revised and Approved
1/12/17**

Table of Contents

Gift Acceptance Policy Statement.	3
Purpose.	4
Supervision and Coordination.	4
Adherence to Policies.	4
Procedural Standards.	4
Primacy of Donor's Interest.	5
Donor Advisory.	5
Responsibilities to Donors.	6
Donor Expenses.	6
Written Agreements.	6
Pledges.	7
Gift Restrictions.	8
Endowment Fund.	10
Marketable Securities.	11
Closely Held Stock.	12
Interests in Partnerships and Limited Liability Companies.	13
Tangible Personal Property.	14
Life Insurance Policies.	14
Real Property.	16
Retirement Plan Assets.	18
Charitable Gift Annuities.	19
Charitable Remainder Trusts.	20
Bargain Sale Transactions.	20
Amendment.	20

Gift Acceptance Policy Statement

St. Labre Indian School Educational Association (St. Labre Indian School or St. Labre) solicits and accepts gifts from individuals, partnerships, corporations, foundations, government agencies, or other entities and the St. Labre Board of Directors hereby adopts this Gift Acceptance Policy Statement and establishes a Gift Acceptance Committee to provide guidance to prospective donors and/or their advisors and to act as guidelines for employees, board members and committee members to ensure that informed decisions are made on the acceptance of charitable gifts and that such gifts are receipted in accordance with federal and state requirements.

St. Labre Indian School accepts gifts that are consistent with its mission and that support its core programs, as well as special projects, subject to the following limitations:

- Gifts will be accepted only if they do not interfere with the mission, vision, and values of the organization. Every effort will be made to ensure that gifts accepted by St. Labre Indian School are in the best interests of both the school and the donor.
- St. Labre Indian School shall not accept gifts that:
 - Violate the fundamental principles of the organization;
 - Jeopardize its status as an exempt organization under federal or state law;
 - Impose undue financial or administrative burdens;
 - Could damage the reputation of the organization.
- St. Labre Indian School does not provide tax or legal advice to donors or their advisors.
- St. Labre Indian School shall not determine the value of donated property. Contributed property that has a value in excess of \$5,000 must be accompanied by an appraisal by a qualified appraiser as defined in IRS Publication 561.
- Certain types of gifts must be reviewed prior to acceptance due to the special liabilities they may pose for St. Labre Indian School. Examples of gifts which will be subject to review include gifts of real property, gifts of certain types of personal property, and gifts of non-publicly traded securities.

St. Labre Indian School Accepts The Following Types of Gifts:

- Cash
- Publicly Traded securities and mutual funds
- Donor Advised Funds
- Corporate Matching Gifts
- Will and Bequest gifts
- Retirement Plan Assets
- Beneficiary designations (retirement plans, life insurance policy, annuity)
- Gifts in Kind or Tangible Personal Property
- Real Estate (restrictions apply – see detailed gift acceptance policy)
- Charitable Gift Annuities
- Charitable Remainder and Lead Trusts

The Gift Acceptance Committee shall be comprised of the Executive Director, Chief Financial Officer, Chief Development Officer, Director of Direct Response Fundraising, and Director of Planned Giving and Major Gifts. The Gift Acceptance Committee shall develop gift acceptance procedures to ensure the implementation of this policy and to determine whether to accept or refuse a gift. Board, legal, financial and other, ad hoc, advisors may be consulted as needed to properly perform its duties. All decisions on the acceptance or refusal of a gift by the Gift Acceptance Committee shall be final.

Gift Acceptance Policy and Procedures
for
St. Labre Indian School Educational Association

Purpose.

The purpose of these procedures is to implement the Gift Acceptance Policy Statement (the “Policy Statement”), adopted by the governing board of St. Labre Indian School Educational Association (“St. Labre”). St. Labre is a Montana nonprofit public benefit corporation that is a recognized charity described by Section 501(c) (3) of the Internal Revenue Code (the “Code”). St. Labre solicits and accepts charitable gifts that enable it to fulfill its mission of empowering Native American individuals and communities in Southeastern Montana to attain self-sufficiency. These procedures describe the types of assets that St. Labre will accept and the guidelines that are to be observed by its staff in accepting and documenting gifts of those assets. These procedures shall apply to all gifts received by St. Labre.

Supervision and Coordination.

To maximize the value of gifts to St. Labre while minimizing the costs and risks, acceptance and documentation of gifts shall be supervised by St. Labre’s Executive Director and the Gift Acceptance Committee. The Gift Acceptance Committee shall consist of St. Labre’s Executive Director, Chief Development Officer, Chief Financial Officer, Director of Direct Response Fundraising, and Director of Planned Giving and Major Gifts.

Adherence to Policies.

All members of the St. Labre development staff shall be provided with a copy of the Policy Statement and these procedures. Questions regarding interpretation of the Policy Statement should be directed to St. Labre’s Executive Director who in his/her discretion may consult with the Gift Acceptance Committee and/or legal or other counsel.

Procedural Standards.

St. Labre will not accept gifts, enter into relationships or accept outside support that could reasonably compromise its public image or commitment to its academic, religious and cultural mission and values. St. Labre reserves the right to disclaim a gift if the following circumstances exist:

1. The gift is not in accordance with the fundamental principles of the organization.
2. The gift exposes the school to liability or undue risk.
3. The donor applies unacceptable restrictions or conditions.
4. The gift requires excessive administration.
5. The gift may have come from illegal activities or involves sensitive issues.
6. The gift is restricted to a specific student, employee, or other person.

It is recognized that certain gifts should not be routinely processed but should be reviewed by the Gift Acceptance Committee prior to acceptance. All final decisions on the acceptance, declination, or restrictions of a gift shall be made by the Gift Acceptance Committee in a timely manner.

Primacy of Donor's Interest.

St. Labre is committed to ensuring that donors are treated in a professional, ethical and consistent manner. In the consideration of any proposed gift, the interest of the donor is to come first. No presentation or recommendation should be urged on the donor which would improperly benefit St. Labre at the expense of the donor's interest. No agreement should be made between St. Labre and any agency, person, or company (through sale, investment, or management), which would knowingly jeopardize or compromise the donor's interest.

Staff members, board members and volunteers shall adhere to confidentiality concerning specific transactions between a donor and St. Labre and shall respect the wishes of those donors wanting to support St. Labre's mission anonymously. Reasonable steps shall be taken at all times to safeguard a donor's identity unless the donor has provided written authorization to publicly disclose the gift.

Donor Advisory.

None of St. Labre's staff, agents or representatives shall provide personal legal, financial, tax compliance, or other professional advice to donors. While gift officers may provide a donor with gift illustrations and draft documents prepared or approved by St. Labre's legal counsel, donors shall be advised, in writing, to seek the assistance of their own legal counsel or other professional advisors in matters relating to the legal, tax and estate planning consequences of a proposed gift to St. Labre.

Responsibilities to Donors.

Gift Acknowledgments. As required by the Internal Revenue Code and the Treasury Regulations, St. Labre will provide each donor who makes a contribution of \$250 or more (in cash or property) during any given calendar year with a contemporaneous written acknowledgment. The written gift receipts should be provided as soon as possible, but in no case later than March 1, of the following tax year. Such contemporaneous written acknowledgment shall list the amount of the cash contributed and a description of any non-cash assets contributed, together with a description and good-faith estimate of the value of the goods/services (if any) provided to the donor by St. Labre in exchange for the contribution (if the value of such goods/services are not insubstantial).

Appraisals. Each donor shall be advised that he or she may be required to obtain a “qualified appraisal” (as defined in Treas. Regs. § 1.170A-13(c)(3)) in order to claim a deduction for a contribution (other than cash or marketable securities) valued at more than \$5,000 (\$10,000 in the case of non-publicly traded stock).

Tax Reporting. Each donor shall be advised that all gifts (except gifts of cash) valued at more than \$500 will require the filing of IRS Form 8283 if the donor anticipates claiming a charitable contribution. In addition, each donor will be advised that if the property is sold or otherwise disposed of by St. Labre within three (3) years, St. Labre will be required to report the disposition by filing IRS Form 8282.

Donor Expenses.

General. As a general rule, and except as provided elsewhere in these procedures, expenses associated with a donor's gift should be borne by the donor. Typical expenses include appraisal fees to substantiate the value of the donor's gift for tax purposes as well as the donor's legal fees.

Payment by St. Labre. St. Labre may, with the prior approval of its Gift Acceptance Committee, agree to pay some or all of the donor's expenses associated with a gift following a determination by the Executive Director that doing so is necessary to facilitate the gift.

Written Agreements.

General. All gift arrangements, other than a simple outright gift of cash or simple in-kind contributions, shall be memorialized in a written document describing the conditions and/or restrictions, if any, imposed on the gift by the donor and the other obligations that may be undertaken by St. Labre with respect to the gift.

Legal Counsel. Each gift agreement shall be reviewed and approved by St. Labre's legal counsel. Notwithstanding the foregoing, no review or approval by St. Labre's counsel shall be necessary if the underlying document is a form or template that has been previously approved by St. Labre's legal counsel, provided that no revisions have been made to its substantive provisions. The document may then be forwarded to the donor (and his or her advisor) for review.

Signatures. The following persons are authorized to sign gift agreements on behalf of St. Labre: (i) Executive Director; (ii) President, (iii) Assistant Treasurer, (iv) the Chief Development Officer, (v) the Chief Financial Officer, and (vi) the Director of Planned Giving and Major Gifts.

Pledges.

Binding Commitment. St. Labre development staff will encourage donors who wish to make a gift larger than \$25,000 in installments over time, to document their commitment to St. Labre in a written pledge agreement that will create a binding, legal, obligation on the donor, as well as a claim against the donor's estate if the commitment remains unpaid at the donor's death. For donors wishing to retain more flexibility by making their commitment non-binding, documentation shall be referred to as a "letter of intent" in order to avoid confusion with binding commitments documented as a pledge agreement. Nonbinding letters of intent shall not be counted as direct gifts. The following guidelines apply to pledge agreements in which a donor undertakes a binding, legal obligation.

Unless a longer period is approved by the Executive Director, the pledge agreement will specify the installments in which the gift is to be paid over a period not to exceed five (5) years. St. Labre will be responsible for recording, acknowledging, billing and monitoring the status of all pledges and payments.

Third party resources including corporate matching gifts and Donor Advised Fund gifts cannot be used to fulfill a pledge. Each pledge agreement shall provide that any portion of the donor's commitment that remains unpaid at the donor's death shall be a liability of the donor's estate, enforceable by St. Labre.

Gift Restrictions

Definition of a Gift. A gift is a contribution (unrestricted or restricted) received by St. Labre for the benefit of St. Labre and/or St. Labre's mission.

Unrestricted Gifts. Gifts on which the donor places no restrictions. Unrestricted gifts are used for general purposes and can be applied to current needs or investment according to St. Labre's Investment Policy. *All gifts are considered an unrestricted gift by default, unless expressly designated as a Restricted Gift and meeting the requirements of a Restricted Gift as defined in these procedures.* Donors shall always be encouraged to make unrestricted gifts.

Budgeted Programs or Facilities. St. Labre may accept a gift that is restricted as to its use if St. Labre's approved budget for the year in which the gift is to be accepted includes proposed funding for a specific program, purpose, or facility for which the restricted gift is made. The responsible gift officer must confirm that the gift restriction falls into this category.

Restricted Gifts. Gifts on which the donor puts restrictions as to how the gift may be used. St. Labre will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of St. Labre's Articles of Incorporation, gifts that are too difficult to administer, or gifts that are for purposes outside St. Labre's mission.

Savings or Contingency Clause. A savings clause is a clause in a gift agreement that allows St. Labre to revise or modify the gift of a donor if the criteria or purpose of the gift are no longer lawful, or if the purpose of the solicitation program has been met. A savings or contingency clause must be present in all instruments making a Restricted Gift. Samples of savings and contingency clauses are as follows:

(1) It is understood by all parties to this agreement that if, in the future, circumstances become so altered that the purposes and conditions under which this fund is established and administered no longer pertain, or becomes a violation of current law, then St. Labre Indian School Educational Association, or its successor, may use the income only / income and principal (*circle one*) from this gift for another purpose benefitting St. Labre that is as nearly as possible in keeping with the original intent of the donor(s).

It is further understood that if such an alternate use should ever be deemed necessary and appropriate, then it shall be designated as the _____ Fund.

In the event that the balance of the fund declines to a point that it becomes impractical or uneconomical to continue administering it as a separate fund, St. Labre, or its successor, may add the balance to a different fund with a similar purpose or move it into an unrestricted fund account.

It is the intention of Donor that if Donor dies before this pledge is fully funded, then Donor's Estate and/or Trustee would honor this commitment and complete the funding of this pledge.

(2) While the wishes of the donors will be loyally observed, St. Labre may modify the criteria for the gift if it determines that the purposes of the gift are in whole or in part contrary to law and/ or changes occur such that the program or purpose is unable to be fulfilled (including if the purposes have been met with additional charitable funds). In such an event, St. Labre will use the gift in the manner that most closely satisfies the intentions of the donor.

Other Restrictions. St. Labre may accept a gift that is restricted as to use if St. Labre's budget for the year in which the gift is accepted does not include funding for the restricted use of the gift, with the prior written approval of the Executive Director.

Endowment Fund.

General. St. Labre has established two endowment funds to receive contributions from donors so that 1) St. Labre will have a permanent source of revenue to allow it to achieve its charitable purposes both currently and in the future and 2) to fund scholarships for its graduates pursuing post-secondary education. The Funds consist of restricted contributions from donors. The assets contained within the Funds are recorded separately from St. Labre's other assets and used to finance St. Labre's charitable purposes in perpetuity. Subject to the restrictions set forth herein, all contributions restricted by a donor to be made a part of the Funds shall be managed in the manner provided herein and pursuant to St. Labre's and the Funds' investment and spending policies, as may be amended from time to time.

Assets. Contributions of the following assets shall be accepted by St. Labre for the Funds: (i) cash; (ii) publicly traded securities; and (iii) such other assets, as determined by the Gift Acceptance Committee.

Minimum Gift Amounts. Except as may be determined by St. Labre's governing board or the Gift Acceptance Committee, a donor may restrict a contribution to an existing endowment fund if the amount of cash or the fair market value of the assets to be contributed is not less than \$100. Determination of fair market value of assets, other than cash or publicly traded securities, shall be made by the donor at his/her expense in consultation with a qualified appraiser to the extent necessary.

Programs and Spending Policy for Fund Assets.

At such time as the asset values of the Funds are sufficient, monies from the Funds may be included in the annual budget of St. Labre.

St. Labre's goal in establishing these Funds is to secure a permanent source of revenue to meet its charitable goals in operating its schools and in providing scholarships to its graduates, both currently and in the future. As a result, maintaining a core amount within the Fund is essential to the operation of the funds.

Due to the permanent nature of endowment funds, if a donor wishes to make an endowment gift for a specific program or purpose the gift agreement entered into with the donor must allow St. Labre's governing board to redirect the funds if the original program or purpose ceases to exist or becomes impractical. The determination of whether a program or purpose becomes impractical shall be made by St. Labre's governing board in its discretion after consideration of all relevant facts.

Termination of Fund. A Fund (and all component funds within the Fund) may be terminated if St. Labre's governing board determines, in its discretion, that the fair market value of the remaining assets are uneconomically low in relation to the cost of administering these assets. In such case, all remaining assets within the Fund (and all component funds) shall be transferred to St. Labre and shall be used for its general purposes and programs in the governing board's discretion.

Named Endowed Scholarship Funds. A donor may establish a named scholarship fund as a component part of the Funds. Such named scholarship fund shall be subject to the restrictions herein and the investment and spending policies of the respective Fund.

A named scholarship fund requires a minimum commitment of \$25,000. It may be established with a minimum initial contribution from the donor of \$10,000 if the donor enters into a Pledge Agreement to bring the endowed fund to a minimum of \$25,000 within five (5) years. The minimum must be met before the scholarship is awarded. Distributions will be made when the pledged contributions reach the minimum commitment of \$25,000 or to an agreed upon higher amount.

The assets contained within each named endowed scholarship fund shall be commingled for investment and administration purposes within St. Labre's Investments. All policies applicable to the Fund, including St. Labre's spending and investment policies, shall apply to all named funds.

Unless otherwise approved in advance by its Gift Acceptance Committee, St. Labre shall reserve the right, in the gift agreement creating the named fund, to broaden or alter the restrictions as to the use of the named fund assets, should it be determined in the future that the original restricted purpose of the named fund no longer meets St. Labre's needs or serves its mission.

Upon recommendation by St. Labre's Gift Acceptance Committee or its Executive Director, a named endowment fund may be terminated if St. Labre's governing board determines that the market value of the assets remaining within the fund is uneconomically low in relation to the cost of administering the fund. In such case, all remaining assets within the named fund shall be transferred to the Fund and shall be administered pursuant to its terms.

Marketable Securities.

General. St. Labre will assist in the transfer of custody of marketable securities from the donor (or his/her custodian) to St. Labre. If the securities are to be mailed, the stock certificates should be mailed separately from the signed stock power with signature guaranty. If the share certificates are hand-delivered to St. Labre, the stock power may be attached. If the securities are in street name, the donor's broker may transfer them to a brokerage account designated by St. Labre.

Restrictions. If the donor is a member of St. Labre's Board of Directors, or a corporate officer of St. Labre, the gift officer will notify the Executive Director for the purpose of determining whether sale of the securities might be restricted under Rule 144 or other provisions of securities law.

Reporting Policy. Gifts of marketable securities will be accounted for at their value on the date the gift is made and the value shall be determined by taking the mean between the high and low quotes on the date of the gift or in compliance with IRS requirements at the time of the gift.

Disposition. St. Labre will instruct its brokers that all marketable securities shall be sold upon receipt. St. Labre's Gift Acceptance Committee is authorized to override this general rule and direct that the securities should not be sold.

Closely Held Stock.

General. The determination as to whether stock that is not regularly traded on an established national exchange shall be accepted by St. Labre shall be evaluated on a case-by-case basis. St. Labre's Gift Acceptance Committee in consultation with the responsible gift officer and St. Labre's advisors, shall make a determination as to whether the stock may be a prudent investment for St. Labre. The final determination as to whether a proposed gift of closely held stock shall be accepted shall be made by the St. Labre governing board..

Minimum Amount. As a general rule, St. Labre should not accept gifts of closely held stock that are valued at less than \$100,000.

Opportunities For Sale. The criteria to be applied in evaluating whether closely held stock will be accepted shall include the long term prospects for the company and if there is an opportunity for St. Labre to sell the stock for cash in the foreseeable future, for example pursuant to a planned sale of the company.

Description of Corporation's Activities. The gift officer shall obtain a complete description of the corporation's activities to assist the Gift Acceptance Committee in ascertaining whether owning the stock may generate any negative or unwanted publicity for St. Labre. If there is any question with respect to this issue, counsel shall be consulted.

Minority Shareholder Status. Because it is likely that St. Labre will be a minority shareholder, the identity and ownership interests of the other shareholders shall be determined by the gift officer in an effort to ascertain whether St. Labre will be treated fairly by the controlling shareholder(s).

Shareholder Agreements. The Gift Acceptance Committee shall obtain and review copies of all shareholder agreements in effect (including buy-sell agreements) with respect to the S corporation to determine if there are any issues, such as restrictions on stock transfer or required capital contributions by shareholders, that require further analysis by St. Labre planned giving personnel or counsel.

Financial Information and Tax Returns. The Gift Acceptance Committee shall obtain and review copies of the corporation's balance sheet and tax returns for the last three years preceding the gift to identify potential liabilities.

Gift of Subchapter S Corporation Stock. In addition to the issues described above, a proposed gift of S corporation stock must be reviewed to analyze unrelated business taxable income ("UBTI") issues. The additional criteria for this analysis include the following.

The donor's adjusted tax basis in the stock and its estimated value must be determined.

If St. Labre will hold the stock prior to sale, UBTI from the S corporation's operations must be evaluated. The UBTI that will be generated from the sale of the S corporation stock must also be evaluated.

St. Labre should attempt to secure an agreement from the S corporation to distribute sufficient cash to St. Labre to allow it to pay its income tax liability (including estimated tax payments) as a result of the UBTI that will be generated by the S corporation's operations.

Valuation of the stock for gift acknowledgment purposes should be adjusted to reflect the tax and other liabilities arising from the stock's acquisition and sale.

Interests in Partnerships and Limited Liability Companies.

General. Using criteria similar to those described above with respect to gifts of closely held stock, an interest in a partnership or limited liability company ("LLC") shall be evaluated on a case-by-case basis. The gift officer, in consultation with St. Labre's Executive Director and its financial advisors, shall recommend to the St. Labre governing board whether such an interest shall be accepted. The final determination whether to accept a proposed gift of an interest in a partnership or LLC shall be made by the Finance Committee and the St. Labre governing board.

Partnerships/LLCs. The principal factor to be evaluated in determining whether to accept a gift of an interest in a partnership or LLC is whether St. Labre will incur any liability as a result of acquiring and holding this asset. The gift officer will review, or request counsel to review, the governing documents of the partnership or LLC to determine if contribution or capital call provisions may require St. Labre to contribute funds to the partnership or LLC. Assuming there are no such contribution or capital call provisions, the gift officer must confirm that the entity is either a limited partnership or LLC and, if the former, that the interest to be received by St. Labre is a limited partner interest. As a general rule, St. Labre will not accept general partner interests.

UBTI. The finance department must evaluate, with assistance from the advisors and counsel if required, the possibility that UBTI will be attributed to St. Labre as a result of ownership of the interest in the partnership or LLC.

Minimum Amount. As a general rule, St. Labre should not accept gifts of partnership or LLC interests that are valued at less than \$100,000.

Tangible Personal Property.

A. Tangible Personal Property/Gifts in Kind. Non-cash contributions, such as personal property and equipment received by St. Labre for the benefit of St. Labre and its related organizations are accepted on a case-by-case basis, as recommended by Gift Acceptance Committee.

Gifts in kind may be sold or exchanged for cash at the discretion of St. Labre. Other matters that will be taken into consideration by St. Labre before deciding on acceptable gifts of personal property or gifts in kind include: transportation expense; storage cost; selling cost; cost of maintenance and repairs; location of property; and cost of insurance and cost of administration.

Title to gifted property should be transferred to “St. Labre Indian School Educational Association” which is the legal name for St. Labre. If the personal property will be retained, the finance department shall ensure that said property is covered by St. Labre’s current insurance or is otherwise adequately insured.

Discounts applied to invoices to St. Labre are not considered gifts that qualify for a charitable deduction. However, these types of gifts are welcome and counted for recognition purposes.

B. Gifts of Contributed Services. Gifts in kind of professional services are recorded as a gift in kind. The professional service does not qualify as a charitable deduction to the donor.

C. Thrift Store Property. Tangible personal property may be accepted for use by the St. Labre Clothes Room Thrift Store if such property is in good condition so as to be saleable at the shop or otherwise useable in the St. Labre programs and services. Staff must review all materials contributed prior to providing an acknowledgement of gift and, if any additional items such as jewelry, equipment, etc. is included in the package, then a member of the Gift Acceptance Committee should be contacted prior to acceptance. Gift acknowledgements and receipts for tangible personal property shall only identify the name of the donor, the date of the gift and a general description of the property that is contributed. No representative of St. Labre shall place a value of the contributed property on any such gift acknowledgment.

Life Insurance Policies.

A. Life Insurance. Gifts of life insurance may be accepted by St. Labre if the insurance policy is fully paid and in cases where the donor intends for the policy to be cashed in immediately for its cash surrender value. St. Labre must be the owner and beneficiary of the policy. This must occur before a life insurance policy can be recorded as an *irrevocable* gift for tax purposes and St. Labre’s accounting matters. Gifts of life insurance policies will be recorded in accordance with GAAP and IRS requirements.

Gifts of life insurance with partially paid premiums or life insurance on which no payments have been made at the time of the gift will be reviewed for acceptance on a case-by-case basis by the Gift Acceptance Committee. The donor is expected to make a written pledge to continue paying the premiums on the policy. If the donor contributes future premium payments,

St. Labre will include the entire amount of the additional premium payment as an *irrevocable* cash gift in the year that the additional contribution is made.

If no payment is received within ninety (90) days of the premium payment due date, St. Labre reserves the right to:

- continue to pay the premiums;
- convert the policy to paid-up insurance;
- surrender the policy for its current cash value;
- or other steps as deemed appropriate.

To help ensure proper acceptance and to mitigate risks associated with the acceptance of life insurance policies, the following procedures are to be followed:

- (1) Obtain documentation to ensure that St. Labre is named as beneficiary of the policy.
- (2) Obtain documentation to determine whether St. Labre is irrevocably named as beneficiary.
- (3) Ensure that adequate cash is available to pay future insurance premiums, if St. Labre chooses to pay such premiums.
- (4) Review rating of insurance company.
- (5) Understand and thoroughly document term and other details of insurance policy.
- (6) Review status of named beneficiary, policy and insurance company on an annual basis.

Designating St. Labre as the beneficiary of all or a portion of life insurance is accepted. Because the donor may change the beneficiary designation throughout his/her lifetime he/she effectively retains ownership. Accordingly, such a gift is considered *revocable* for purposes of taxation and St. Labre's accounting matters and no gift receipt will be provided.

Real Property.

Approval. Acceptance for retention of all real estate gifts requires approval by St. Labre's governing board following a recommendation by the Gift Acceptance Committee. By default all real estate gifts are accepted with the intention to sell and the proceeds used for St. Labre's purposes and mission statement.

Information. The responsible gift officer shall compile the following relevant information concerning the real estate that is the subject of the proposed gift.

A copy of the deed conveying the property to the donor.

A copy of the current property tax bill.

A preliminary title insurance report.

A copy of each promissory note, mortgage, deed of trust, or other lien/encumbrance on the property.

A copy of each lease or other contract affecting the property.

If the property is income producing, a copy of a profit and loss statement for the two most recent years.

A summary of the current insurance coverage for the property.

Copies of correspondence with governmental authorities, tenants or prospective purchasers concerning the property.

A current market analysis of the property.

A current Flood Certification.

Environmental Review. If, after reviewing the information listed above, the Gift Acceptance Committee determines that sale of the real estate is likely to provide proceeds to St. Labre of at least \$100,000, the Gift Acceptance Committee, or its designee, shall determine, based on a physical inspection of the property, whether further evaluation of environmental hazards on the property is required to protect St. Labre from liability.

Physical Inspection. The gift officer or other agent of St. Labre shall conduct a physical inspection of the property. Based upon this physical inspection, if a preliminary determination is made to proceed, an inspection by a professional/certified inspector shall be undertaken and a written summary of such inspection shall be prepared and included in the file documenting the gift. Depending upon the issues raised in the written summary, additional (more detailed/complex) inspections may be conducted to ensure that all such issues have been addressed/resolved prior to acceptance of the gift.

Donor Representations/Warranties. Each gift of real property must be accompanied by a Representation, Warranty, and Indemnity Certificate signed by the donor. The donor's representations/warranties must include the following.

The donor's operation of the property has always complied with all applicable environmental laws, regulations, and court or administrative orders.

The donor has no knowledge (except as otherwise disclosed in writing by the donor) of any pending or threatened administrative actions relating to the property, including any such actions that may reflect environmental hazards on the property.

The donor has no knowledge or suspicion (except as otherwise disclosed in writing by the donor) of any area of the property where hazardous or toxic substances have been released, disposed of, discovered, or exist.

The donor agrees to indemnify and defend St. Labre and hold it harmless from all costs, expenses, and liability arising out of, or in connection with, any claim of environmental impairment of the property, which may have occurred during the period of time in which donor owned the property up until its contribution to St. Labre.

Appraisal. If feasible, a broker price opinion report should be obtained by St. Labre to assist in ascertaining the property's value and salability.

Title Insurance. St. Labre shall obtain a title insurance policy to protect its title to the real property received from the donor.

Counsel. St. Labre's counsel should be consulted regarding gifts of real property.

Gifts of Time-Share Units. St. Labre will not encourage gifts of time-share units or similar partial ownership arrangements. Such gifts shall be accepted by St. Labre only upon the recommendation of its Gift Acceptance Committee.

Remainder in Residence. St. Labre may accept a gift of a personal residence subject to the donor's retained life estate. The estimated value of the residence, net of encumbrances, must exceed \$250,000. The retained interest can extend beyond no more than two (2) lives. The gift shall be documented with a deed and life estate agreement approved by St. Labre's legal counsel, with the life estate agreement clearly delineating responsibility for expenses of taxes, insurance, maintenance, and other expenses associated with the property. While St. Labre should not accept responsibility for contributions for capital improvements such as plumbing or roof repairs, it should retain the right to perform such maintenance/improvements or make required repairs if St. Labre determines, in its sole discretion, that it is necessary to protect its economic interest in the property.

Oil, Gas, and Mineral Interests. St. Labre may accept oil, gas, and/or mineral interests under certain circumstances. Prior to accepting an oil, gas, and/or mineral interest, the approval of St. Labre's Gift Acceptance Committee shall be obtained after consultation with St. Labre's Executive Director. The following criteria shall be used to determine if an oil, gas, and/or mineral interest shall be accepted.

Gifts of surface rights shall have a value of not less than \$5,000.

Gifts of oil, gas, and/or mineral interests will generate not less than \$1,000 per year in royalties or other income (as determined by taking the average of the three (3) most recent years prior to the gift).

The property does not have substantial liabilities or other "issues" that would make the acceptance of the gift inappropriate.

If the interest is a working interest, an analysis must be undertaken (with the assistance of counsel) to determine whether acquisition of the asset will have any negative tax consequences to St. Labre.

Similar to the steps to be taken with respect to a proposed gift of real property, a determination must be made as to whether any environmental issues exist.

Disposition of Real Property. Unless St. Labre's governing board determines that the real property received by St. Labre will be used by it in fulfilling its charitable purposes, the policy of St. Labre shall be to dispose of the real property at the earliest possible time taking into account market conditions and all other relevant factors. If the property is accepted, St. Labre will bear the expenses associated with ownership (including insurance, taxes, and maintenance) until the property can be sold.

Retirement Plan Assets.

St. Labre will accept funds received as a designated beneficiary of a retirement plan (for example, an individual retirement account, a 401(k) plan or other defined contribution plan). St. Labre should obtain a copy of the executed designation form which the donor has submitted to the retirement plan administrator that names St. Labre as a beneficiary.

Other Assets.

General. Acceptance of any other type of property as a contribution shall require the prior written approval of St. Labre's Gift Acceptance Committee and if necessary the St. Labre governing board.

Vehicles. St. Labre will generally not accept gifts of automobiles, boats or other vehicles unless such assets will be used directly in St. Labre's programs.

Charitable Gift Annuities.

Rates. For charitable gift annuities issued for contributions of cash or marketable securities, St. Labre will utilize the rates published from time to time by the American Council on Gift Annuities (the "ACGA"). At no time will a charitable gift annuity be issued in exchange for a gift of real estate. Charitable gift annuities may not be available in every state.

Minimum Gift. For immediate gift annuities, the minimum gift shall be \$10,000 for first time annuitants and \$5,000 for active annuitants..

Minimum Age. The minimum age for issuing a charitable gift annuity shall be 65 and the minimum age when payments begin for a current or deferred gift annuity (or the earliest age for an annuity providing a flexible starting date) shall be 65, unless special authorization is granted by the Gift Acceptance Committee due to special circumstances..

Charitable Remainder Trusts.

General. St. Labre will encourage donors to establish charitable remainder trusts ("CRTs") that provide an irrevocable remainder interest to St. Labre. All charitable trust gifts must be coordinated with the Office of Planned Giving and Chief Financial Officer.

Expenses of Creating the CRT and Trusteeship. Provided that the CRT names St. Labre as an irrevocable remainder beneficiary of at least a 50% interest in the CRT's assets and the CRT is funded with assets having a value of at least \$250,000, St. Labre may elect to pay the reasonable legal costs of creating the CRT as determined by the Gift Acceptance Committee. In no case shall St. Labre agree to serve as trustee of a CRT.

Bargain Sale Transactions.

General. Bargain sale transactions, other than charitable gift annuities, may be accepted by St. Labre only with the prior written approval of the Gift Acceptance Committee. Since bargain sale transactions require the outlay of funds by St. Labre, these transactions should be approved only in limited circumstances.

Use of Acquired Property. One such circumstance involves property which St. Labre intends to keep for use in its programs which may be acquired on beneficial terms in a bargain sale transaction.

Marketable Assets. In limited circumstance, St. Labre may consider bargain sale transactions to acquire property that would not be retained for use in St. Labre's programs, if it is determined during the approval process that the property can be sold for cash in a timely manner.

Review by Counsel. Legal counsel shall be consulted prior to entering into a bargain sale agreement to ensure that it is documented properly and that all tax and other issues have been properly analyzed.

Amendment.

Periodic Review. The Gift Acceptance Committee shall review these procedures at least every five (5) years to recommend revisions for approval by the St. Labre governing board.

Specific Review. These procedures shall be reviewed and ratified by the St. Labre governing board each time that the governing board of St. Labre determines that it will embark on a capital or other fundraising campaign. The Gift Acceptance Committee shall also cause these procedures to be reviewed upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by St. Labre to assure continued compliance by St. Labre with applicable legislation and rules.