

# **Academy of Our Lady of Lourdes**

*Sisters of Saint Francis, Rochester MN*

## **GIFT ACCEPTANCE POLICY**

**January 1, 2021**

### **1. Purpose**

The Academy of Our Lady of Lourdes Sisters of the Third Order Regular of Saint Francis, encourages the solicitation and acceptance of gifts for purposes that will help them further their mission. This policy is intended to be used as an internal guide for prospective donors as well as outside advisors who assist in the gift planning process. The following policies and guidelines govern acceptance of gifts made to the Sisters of Saint Francis or for the benefit of any of its programs and allows for flexibility on a case-by-case basis. The information in this policy is not intended as legal advice.

### **2. Adherence to Ethical Fund Raising Practices**

The Academy of Our Lady of Lourdes has, among its primary objectives, the privilege of working with donors who wish to make contributions that will satisfy their charitable giving intentions. The Academy of Our Lady of Lourdes and the office of Mission Advancement will not support techniques and practices that use undue persuasion upon their donors. Further, representatives of the Academy of Our Lady of Lourdes will not take advantage of any donor's incapacity or inability to fully understand the nature of any gift they are contemplating.

### **3. Use of Legal Counsel**

All prospective donors will be encouraged to seek professional counsel regarding a planned gift to the Academy of Our Lady of Lourdes. They will have their advisors review all proposals and illustrations presented to them. Gift annuity illustrations will always include a disclaimer encouraging the prospective donor to seek independent advice and reminding them of the irrevocable nature of their contribution.

### **4. Gifts of Cash**

- a. The Academy of Our Lady of Lourdes shall accept gifts by check regardless of amount. There may be instances where the donor's ability is in question, or there may be a question about the amount of the gift being appropriate given their apparent means. In such instances, the Academy of Our Lady of Lourdes' Mission Advancement Office staff will make a reasonable effort to contact the donor to determine whether to accept the gift.
- b. Checks shall be made payable to the Academy of Our Lady of Lourdes and may designate a particular program or project of the Academy of Our Lady of Lourdes. In no event shall a check be payable to an individual who represents the Academy of Our Lady of Lourdes.

- c. A receipt shall accompany any donation of cash made to a representative of the Academy of Our Lady of Lourdes. This receipt should be signed and indicate the amount of the gift, date it was made, and that no goods or services were given in exchange for the contribution.
- d. Pledges may be payable in a single or multiple installments.

#### **5. Publicly Traded Securities**

- a. The Academy of Our Lady of Lourdes can accept readily marketable securities, such as those traded on a stock exchange.
- b. For the Academy of Our Lady of Lourdes gift crediting and accounting purposes, the value of the securities is the average of the high and low on the date of the gift. Wherever possible, the Academy of Our Lady of Lourdes Mission Advancement staff will complete the designated IRS form with as much information as is possible from the donor. The Academy of Our Lady of Lourdes will accept IRA Rollover or Charitable IRA distributions and Retirement Plan beneficiary gifts.

#### **6. Closely Held Securities**

- a. Non-publicly traded securities may be accepted after consultation with the Treasurer's office and/or legal counsel.
- b. Prior to acceptance, the Academy of Our Lady of Lourdes shall explore methods of liquidation for the securities through redemption or sale. A representative of the Academy of Our Lady of Lourdes shall try to contact the corporation to determine:
  - An estimate of fair market value
  - Any restrictions on transfer
- c. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

#### **7. Real Estate**

- a. Gifts of real estate must be reviewed by the Academy Board of the Congregation before acceptance. The Academy Board does not accept Timeshares. The Academy Board will give consideration to the following:
  - Maintenance costs
  - Real estate taxes
  - Insurance
  - Real estate broker's commission and other costs of sale
  - Appraisal costs
- b. Prior to presentation to the Academy Board, the donor must provide the following documents:
  - Real estate deed
  - Real estate tax bill
  - Plot plan

- Substantiation of zoning status
- c. For the Academy of Our Lady of Lourdes gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate. (Note: A nonprofit can choose to exclude from the value of the gift costs for maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale.)

## **8. Life Insurance**

- a. The Academy of Our Lady of Lourdes will accept life insurance policies as gifts only when the Academy of Our Lady of Lourdes is named as the irrevocable, sole owner and 100% beneficiary of the policy. The donor continues to pay the premiums of the life insurance policy.
- b. If the policy is a paid-up policy, the value of the gift for the Academy of Our Lady of Lourdes gift crediting and accounting purposes is the policy's replacement cost.
- c. If the policy is partially paid up, the value of the gift for the Academy of Our Lady of Lourdes gift crediting and accounting purposes is the policy's cash surrender value.  
(Note: For IRS purposes, the donor's charitable income tax deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)

## **9. Tangible Personal Property**

- a. Gifts of tangible personal property to the Academy of Our Lady of Lourdes should have a use related to the Academy of Our Lady of Lourdes exempt purpose.
- b. Gifts of artwork, collections, equipment, and software shall be accepted at the discretion of the Director of Mission Advancement in consultation with the Treasurer after approval by the Academy Board.
- c. No property that requires special display facilities or security measures shall be accepted by the Academy of Our Lady of Lourdes without consultation with the Academy Board.
- d. The Academy of Our Lady of Lourdes adheres to all IRS requirements related to disposing gifts of tangible personal property and filing appropriate forms.
- e. The Academy of Our Lady of Lourdes is responsible for the IRS filings upon sale of gift items under Section 9 if assets are sold within two years and the gift is greater than \$5,000. The form would be filed within 125 days of the sale.



**10. Planned Gifts** - The Academy of Our Lady of Lourdes offers the following planned gift options:

a. Charitable Gift Annuities

- Administrative fees shall be paid from the income earned on the charitable gift annuity.
- There shall be no more than two beneficiaries on a charitable gift annuity.
- The minimum gift accepted to establish a charitable gift annuity is \$1,000. No primary income beneficiary for a charitable gift annuity shall be younger than 55 years of age.
- The Academy of Our Lady of Lourdes sets a rate scale for the charitable gift annuities based on the consultation with the Treasurer and the Director of Mission Advancement. Recommendations are then made to the President and the Academy Board for review and approval.
- No Planned Giving or Development Officer will be authorized to offer a rate differing from the published rate schedule without express approval from the President and the Treasurer and only after discussion with the Director of Mission Advancement.

b. Deferred Gift Annuities

- Administrative fees shall be paid from the income earned on the charitable gift.
- There shall be no more than two beneficiaries on a deferred gift annuity.
- The minimum gift accepted to establish a deferred gift annuity is \$5,000.
- No income beneficiary for a deferred gift annuity shall be younger than 30 years old.
- The Academy of Our Lady of Lourdes sets a rate scale for the charitable gift annuities that they offer based on consultation with their Treasurer and Director of Mission Advancement. Recommendations are then made to the President and the Academy Board for review and approval.

c. Charitable Remainder Trusts

- The Academy of Our Lady of Lourdes will accept Charitable Remainder Trusts only as a beneficiary. It will not act as a Trustee or Co-Trustee for any such fund.

d. Bequests

- Assets transferred through bequests that have immediate value to the Academy of Our Lady of Lourdes or that can be liquidated shall be encouraged by the Mission Advancement Office staff. Gifts that appear to require more cost than benefit shall be discouraged or rejected.
- Donors who have indicated that they have made a bequest to the Academy of Our Lady of Lourdes may, depending upon the individual situation, be asked to disclose this bequest in writing or by a copy of the will or request at least the relevant clause that benefits the Academy of Our Lady of Lourdes as evidence of the gift. This information is used for internal financial purposes and is not binding on the donor. The information shall be kept in the strictest confidence.

e. Administrative Issues

- The Academy of Our Lady of Lourdes shall not act as executor (personal representative) for a donor's estate.
- The Academy of Our Lady of Lourdes will pay for the drafting of legal documents for a charitable remainder trust when the Academy of Our Lady of Lourdes is named as beneficiary of 50% or more of the trust. The donor's own counsel must review the documents at the donor's cost.

*Sr. Ramona Miller*

S. Ramona Miller, OSF President

*S. Judi Angst*

S. Judi Angst, OSF Secretary