

# Frankford Friends School

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## Gift Acceptance & Valuation Policy

These policies guide the efforts of staff and volunteers who have been authorized to undertake fundraising activities on behalf of FFS. These policies also provide information that may be important to donors who are interested in providing philanthropic support for the School's mission and work. Questions about these policies or types of gifts that are not described should be directed to Joy Bowman Lim, Director of Development.

### Tax Advice

Frankford Friends School does not provide advice about the tax or other treatment of gifts or the development of estate planning decisions or documents. The School encourages donors to seek guidance from their own professional financial advisors to assist them in planning their gifts and estate plans.

### Acceptance

- The School will accept both outright gifts and pledges.
- The School will accept gifts of cash and publicly traded stocks, bonds and mutual fund shares. All such gifts will be sold immediately upon receipt by the School. Such transactions will be handled by the Friends Fiduciary Trust.
- Gifts-in-kind and Services-in-kind will be accepted at the discretion of the School.
- The School will only accept a restricted gift if it feels that it can comply with the terms of the gift as outlined by the donor.
- Gifts of real estate and personal property must be approved by the Head of School in concert with the Business Manager, the Executive Committee of the School Committee, and Director of Development before acceptance by the School.
- Gifts of real estate will be accepted only if they are held without mortgage, have an appraised market value of \$25,000 or more, and can either be utilized by the School or offered for immediate sale without undue effort and expense by the School and/or its representatives.
- Gifts of tangible property will be accepted only if the School can reasonably utilize the gift or if it can be readily sold and has a qualified appraisal of \$1,000 or more.

### Valuation of Gifts

It is important to understand that because of pledge payment schedules as well as the unknown payment date for most deferred gifts, not all gifts will be immediately available to the School. The School will value a gift based on FASB standards (Financial Accounting Standards Board).

The valuation of a gift for tax purposes is the responsibility of the donor except when gifts are made with cash or publicly traded securities. In these two cases the School's receipt/acknowledgment may be relied on by the donor to establish the value for tax purposes. In all other cases, it is incumbent upon the donor to keep receipts or to secure an independent, qualified appraisal to establish the tax deductible value.

- Gifts of domestic currency are counted at face value on the day the gift is received by the School.
- The mean value of a gift of securities on the date of transfer will be used for both gift accounting and donor recognition purposes.
- All tangible gifts, including gifts of real estate, personal property and business interests, whether tangible or intangible, require a bona fide third party appraisal provided by a recognized expert selected and paid for by the donor in accordance with IRS regulations.
- Donors to the School's Annual Fund must complete their pledge within the fiscal year ending June 30 in order to receive full credit during that Annual Fund year.
- Pledges that are paid in full within the pledge fulfillment period stipulated by the School will be credited at the full face value of the gift on the date of the pledge for the Project or Campaign to which the gift was given.

### **Planned Gifts**

- Revocable gifts including Bequest Intentions, Gifts of Life Insurance, and Retirement Plans will be accepted, but will not be recorded as pledges of support for the school.
- Irrevocable planned gifts (including, for example, charitable remainder and lead trusts, gift annuities, deferred gift annuities and contributions to the Pooled Income Fund) will be valued on an actuarially discounted (using present value tables provided by the IRS) basis for both gift accounting and donor recognition purposes.
- The School will accept and give credit for irrevocable planned gifts only if the beneficiary(ies) are aged 60 or older, or, in the case of deferred gift annuities, if income will be paid to the beneficiary beginning at age 60 or older.
- In general, the School will follow the schedule of gift annuity rates advocated by the American Council on Gift Annuities (ACGA), but reserves the right to modify those rates for future contracts in the best interest of the School at any time.
- Gift annuities valued at \$500,000 or more must be approved in advance by the Head of School, the Executive Committee of the School Committee, and Director of Development
- New estate commitments made by donors aged 70 or older will be valued on an actuarially discounted basis for both gift accounting and donor recognition purposes.

Additional policies, including crediting of gifts, will be developed if and when FFS undertakes an endowment, capital, or major gift campaign.

### **Honoring Donor Intent**

The School will document any restrictions on a gift in order to ensure that a donor's intentions are honored. Frankford Friends School will respect the expressed intent of a donor to remain anonymous, restricting information to only those with a need to know for the purposes of acknowledgment or follow-up.

**Current as of 4/13/18**