

Gift Acceptance Policy
Jewish Community Center of Greater Rochester

Approved by the Board of Directors
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Introduction

The Jewish Community Center of Greater Rochester (JCC) is a social services agency whose mission is to strengthen Jewish identity and promote Jewish continuity through all stages of life. This is accomplished in an environment that provides opportunities for meaningful cultural enrichment, physical well being and social, educational and recreational experiences for individuals and families. The JCC has established a fund development program to help donors achieve their charitable aspirations at the JCC. Paramount in this effort is an unyielding observance of the highest ethical standards regarding the solicitation, acceptance and on-going management of these gifts.

This policy statement is designed to ensure that all gifts to, or for the use of, the JCC are structured to provide maximum benefits for both the donor and the JCC. Throughout its existence, the JCC has benefited from gifts from friends, alumni, foundations and corporations.

Due to the ever-increasing complexity of giving plans and concepts, this policy has been developed to establish standards by which all gifts to the JCC will be evaluated, as well as a formal process for carrying out such evaluations.

Guiding Principles

All gifts to the JCC shall be evaluated within the following guiding principles:

In accepting a gift, the JCC accepts the responsibility to the donor to steward that gift properly. This includes administering the gift properly; providing the donor with accurate, timely financial information about the gift; and, when appropriate, reporting to the donor about the use of the gift.

Donations of gifts for unrestricted, general purposes are encouraged because of the flexibility they provide to the JCC.

The JCC does not provide legal, accounting, tax, or other such advice to donors. Each donor is ultimately responsible for ensuring their proposed gift meets and furthers their charitable, financial, and estate planning goals. As such, each donor is encouraged to meet with a professional advisor before making any gift to the JCC.

The JCC reserves the right not to accept certain gifts, including:

- Those which would not be in the best interest of the donor (i.e., ones that might be inappropriate in light of the donor's personal or financial situation)
- Those that might benefit the donor in certain ways that are not available to others of similar status and interest
- Those from which the JCC will realize little or no financial gain
- Those that are offered for purposes inconsistent with the JCC's mission
- Those which have restrictions that might violate the JCC's ethical standards or require any form of discrimination

The JCC shall acknowledge all gifts and donations in a manner that respects and honors the donor.

Terms and Definitions

Conditional Gift

Conditional gifts are gifts that because of some qualifier or restriction are considered non-routine. Conditional gifts may commit the JCC to act within a specified time or use a gift for a specific purpose.

Permanently Restricted Gift

A permanently restricted gift is a gift to be invested for the purpose of producing present and future income that may be expended or reinvested with the original gift. The principal (or corpus) of the gift is to be kept intact. Income is expended according to the current policy of the JCC Board of Directors and may be restricted or unrestricted according to the donor's intent. This type of gift is often referred to as an Endowment Fund.

Temporarily Restricted Gift

A gift to be invested for the purposes of the JCC. Income/and or principal is expended annually for the donor's choice of JCC programs or services. A temporarily restricted gift where the income and/or principal is expended annually at the discretion of the donor is referred to as a Donor Guided Fund.

Unrestricted Gift

A gift given for the purposes of the JCC and income and/or principal may be used at the discretion of the JCC's Board of Directors. The donor does not specify any direct program uses.

Gift

A gift is not consideration in the legal sense and therefore the donor receives no direct benefit and requires nothing in exchange beyond an assurance that the intent of the contribution will be honored.

Major Gift

Currently at the JCC, a gift of \$1,000 or more is considered a major gift to JCC's Annual Giving Program. During building campaigns, a major gift is \$50,000 or more.

Outright Gifts

These gifts are typically gifts of cash, stocks, bonds, real property, tangible personal property, or gifts-in-kind.

Planned Gifts

Planned gifts generally are gifts or commitments made in the present with the benefit to the JCC "deferred" until a future date. However, planned gifts may include outright gifts of appreciated property (securities and real estate) or gifts of tangible personal property. Donors who inform the JCC regarding intent of a planned gift to the JCC, whether revocable or irrevocable, are welcomed into the JCC's Judean Club or CSL's Legacy Society.

Pledge

Pledges are commitments to give a specific dollar amount according to a fixed time schedule.

Restricted Gift

A restricted gift is any gift on which a donor places special, out-of-the-ordinary restrictions as to its use. Any discriminatory restrictions could cause the JCC to lose its tax-exempt status or the donor to lose the charitable income tax deduction for the gift.

General Policies

Gift Acknowledgement

All donors are to be sent a gift receipt within a reasonable timeframe. When appropriate, donors shall be given tokens of appreciation not to exceed federal requirements. The Development Office shall be responsible for oversight and compliance with the requirements regarding gift acknowledgement and receipts.

Compliance Responsibility for Gift Acceptance Policy

Overall responsibility for ensuring compliance with the requirements of this policy rests with the Executive Director. All gifts should be screened by the Development Office and/or the Executive Director, for compliance with the policies.

Evaluation of Costs Associated with Acceptance of Certain Gifts

Proposed gifts of property and gifts-in-kind must be evaluated to determine whether the costs to the JCC associated with receiving the gift can be accommodated prudently. Such evaluations might include the possible cost of transportation to the JCC, storage costs while making adequate physical space available, cost of maintenance, repair and insurance, and cost of disposal.

For example, accepting real property might require payment of closing costs, payoff of debt secured by the property, and physical changes to the property necessary to ensure safety or to control environmental hazards. Similarly, the cost to retrofit physical space and provide necessary utilities associated with a proposed gift may be deemed excessive. Occasionally, associated costs might outweigh the benefits of the acceptance of a gift.

The authority and responsibility for prompt, careful evaluation of such costs shall rest with the Development Office, which shall, after conferring with the appropriate professionals, bring the gift proposal to the Executive Director for a review and decision.

Qualified Appraisals

Legal and ethical requirements prohibit the JCC from appraising gifts. This protects both the donor and the JCC. Such appraisals are to be conducted by certified, independent appraisers not associated in any way with the JCC, and the cost shall be the donor's responsibility.

Acceptance and Administration of Restricted Gifts

Frequently, donors require the JCC to use gifts in particular ways. It is the responsibility of the JCC to comply with such arrangements if such a gift is accepted. The Development Office is responsible for ensuring compliance with the requirements regarding gift acknowledgements and receipts.

Memorandum of Understanding

Before completing major and/or planned gift arrangements with donors, the Development Office or the Executive Director, on behalf of the JCC and the donor, will sign a memorandum of understanding which may take the form of an acknowledgement letter and may contain the following elements:

- The purpose for the gift
- The background behind the gift
- How funding will be made
- Criteria specifying who will benefit
- The JCC's responsibilities
- Use(s) of the gift
- Fiscal year of Activation
- Plan for public announcement of the gift

Gift Acceptance Policies

The following policies relate to the types of gifts typically received by the JCC. It is understood that special gifts or circumstances might require a case-by-case review by the Executive Director and the Development Office and might not be addressed by this document.

Outright gifts include gifts of cash, securities, insurance, personal property, or real estate.

Cash

Cash is often the easiest way to give and the form of gift most frequently accepted by the JCC. These gifts can take the form of currency, check, or credit card contribution. Cash may be delivered in person, by mail, by Electronic Funds Transfer (EFT), or by wire transfer. Cash (currency and check) gifts are reported the day the JCC Development Office receives the cash. With EFT or wire transfer gifts, the date of the gift shall be the date the money is transferred into the JCC's bank account. Credit card gifts are reported on the day the credit card gift is received.

Securities

Securities or mutual funds that are traded on any recognized stock exchange or that have prices quoted daily and are readily marketable will be accepted as outright gifts or towards a pledge. Gifts of securities shall be sold or used for the benefit of the JCC, at the sole discretion of the JCC. The JCC's practice is to sell securities immediately upon receipt. The value of said securities is determined by averaging the high and low trading price on the day the securities are received by the JCC in accordance with established IRS policy. Regarding closely held securities, all such gifts must be examined prior to acceptance for valuation and marketability. The Executive Director must approve all such proposed gifts prior to acceptance.

Gifts of Insurance

The JCC will accept life insurance policies as gifts only when the JCC is named as the irrevocable owner and sole beneficiary of the policy. The JCC prefers life insurance policies that are fully paid. Those gifts will be valued at the replacement cost of the policy. All partially paid policies must have written explanation of how further premiums are to be paid. Said proposed gifts must be presented to and approved by the Executive Director prior to gifting. Said gifts will be valued at the surrender value of the policy the day the gift transaction is completed.

Personal Property

Please refer to the section above regarding costs associated with acceptance of certain gifts.

Gifts of personal property and gifts-in-kind include, but are not limited to, such items as precious metals, jewelry, artwork, collections and equipment. Gifts of personal property shall be sold or used for the benefit of the JCC, at the sole discretion of the JCC. Donors will also be informed at the time of the acceptance of said gift that the JCC will, as a matter of policy, cooperate fully in any and all matters related to IRS investigations of non-cash, personal property charitable gifts.

Real Property

A gift of residential, rental, commercial, industrial or agricultural real property shall be accepted only following a visit by the Executive Director or an Associate Executive Director and subsequent approval by the JCC Board of Directors after having advice of counsel in connection with making such determination.

Gifts of real property shall be sold or used for the benefit of the JCC, at the sole discretion of the JCC.

Prior to acceptance, the JCC may require an independent appraisal for real properties offered to the JCC. In many cases the JCC will request that the donor pay the costs associated with obtaining a certified appraisal and other studies necessary to evaluate a gift of real property.. The JCC will

review the title to the real property, building code compliance, zoning compliance, environmental health of the property and other factors as may be recommended by its legal counsel in determining the acceptability of a real property gift.

Pledges

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. Unrestricted pledges (Annual Appeal or Markus Society) or pledges for specific programs and services are usually for amounts less than \$10,000 and less than one year.

All other pledges must have written documentation that may contain the following:

- The amount of the pledge must be clearly specified
- There should be a clearly defined payment schedule
- There shall be no contingencies or conditions
- The acknowledgement and any naming opportunity associated with the pledge shall be removed if for any reason the pledge is not completed within the agreed upon payment schedule

Pledge Recording Policies

- Anticipated matching gifts will not be included in pledge amounts
- Pledges and expected matching gifts will qualify separately for donor recognition in appropriate giving level groups
- If for any reason (rounding, gift evaluation or continued incremental giving) the pledge amount is altered, the donor will be recognized at the level of final payment
- In the event of death, pledge balances will be written off when the JCC is notified, unless there are provisions in the donor's will or the family has indicated there is an intent to complete the pledge
- All requests to cancel a pledge must be presented to, and approved by the Development Office.

Planned Gifts

The JCC encourages donors to disclose their planned giving and/or bequest intentions to the JCC Development Office in writing to ensure the JCC is able to carry out their wishes and that the gifts conform to the principles stated in this Gift Acceptance Policy. Donors, who inform the JCC regarding intent of their planned gift to the JCC, whether revocable or irrevocable, are welcomed into the JCC's Judean Club or Camp Seneca Lake's Legacy Society.

If there is a gift from the estate of a deceased donor that does not meet the principles of this Gift Acceptance Policy, that decision will be communicated to the legal representative of the estate. Attempts will be made to achieve a mutually acceptable gift agreement between both parties.

Charitable Bequests

The JCC suggests the following language be incorporated into bequests.

"I give the rest of my property as follows: (_____) percent to the **Jewish Community Center of Greater Rochester, 1200 Edgewood Avenue, Rochester, NY 14618**, for its general use according to its mission.

Or

"I give the sum of \$(_____) to the **Jewish Community Center of Greater Rochester, 1200 Edgewood Avenue, Rochester, NY 14618**, for its general use according to its mission.

Charitable Gift Annuities

The JCC of Greater Rochester is not in a position to establish charitable gift annuities at this time.

Charitable Remainder Trusts

Charitable Remainder Trusts (CRAT) are established when a donor irrevocably transfers money or securities to a trustee (not affiliated in any way to the JCC) who invests the assets to pay annual lifetime income to the donor or others chosen by the donor. At the end of the beneficiaries' lives, the remaining assets are distributed to the JCC.

Annuity trusts provide the tax advantages of current contributions with the security of fixed, lifetime incomes, generally for the donor and spouse. The agreed-upon annual payments remain unchanged regardless of how the investments perform.

A Charitable Remainder UniTrust (CRUT) differs from the annuity trust as it provides a variable income to the donor. Payment in this case is based on a fixed percentage of the net fair market value of the trust's assets as valued on a certain day annually.

Charitable Lead Trusts

This type of gift provides an income stream for a specified period of time to the JCC. The JCC receives the income from the trust and applies it, usually to a pre-determined project. The principal is then returned at the end of the set period to whomever the donor designates.

Permanently Restricted Funds

Bequest gifts may be used to create permanently restricted named legacy funds at the JCC. The JCC would prefer the donor contact the JCC's Development Office as part of the donor's estate planning so that the JCC has a record of the donor's intent. A minimum bequest or outright gift of \$15,000 is required to establish a permanently restricted Legacy Funds and the bequest or gift must include express program disbursement instructions. An unrestricted Legacy Fund may be established with a minimum bequest of \$10,000. The Executive Director or the Development Office must review all permanently restricted bequests and gifts prior to acceptance. In the event the Executive Director feels the instructions are not complete or too restrictive, an attempt will be made to reach an acceptable agreement with a legal representative of the deceased.

Gifts of Life Insurance

Gifts of life insurance as part of planned giving should name the JCC beneficiary of the policy upon death or as beneficiary and owner. All previously mentioned conditions also apply to planned gifts of insurance.

Life Estate

Donors interested in receiving a charitable income tax deduction by gifting their primary residence or farm to the JCC, while retaining full use of and rights to the property during their lifetime may do so. See *section on Real Property (p. 5)*.

Reporting Policy

All irrevocable planned gifts will be reported at full fair market value.

JCC Center Funds Investment Policy

All JCC Center Funds, whether restricted or unrestricted, are invested collectively by qualified money managers, hired by and under the direction of the JCC Investment Committee, with the earnings and expenses being spread proportionately to the funds based on principal balances. Income is expended according to the current policy of the JCC Board of Directors and may be restricted or unrestricted according to the donor's intent.

For information about the JCC's Investment Policy please contact David Pieramico, Associate Executive Director for Finance and Administration, at 585-461-2000 x 293 or dpieramico@jccrochester.org.

Types of JCC Center Funds and Permanent Named Recognition

Permanent named legacy recognition is available when establishing the following types of funds with minimum gift amounts.

JCC Permanently Restricted Fund

The principal (or corpus) of the endowment is to be kept intact. Income is expended according to the current policy of the JCC Board of Directors and may be restricted or unrestricted according to the donor's intent. This type of gift is often referred to as an Endowment Fund. A permanently named restricted fund may be established with a gift of at least \$15,000 to be invested for the purpose of producing present and future income that may be expended or reinvested with the original gift.

JCC Unrestricted Fund

Unrestricted Funds are invested for the purposes of the JCC and income and/or principal may be used at the discretion of the JCC's board of directors. A permanently named unrestricted fund may be established with a minimum gift of \$10,000.

JCC Donor Guided Funds

Donor guided funds are established to expend income/and or principal annually at the discretion of the donor, and for the donor's choice of JCC programs or services during the donor's lifetime. A permanently named donor guided fund may be established with a minimum gift of \$50,000 to be invested for the purposes of the JCC.

For information about the JCC's Center Funds and to create a named legacy fund please contact Tamara Cohen, CFRE, associate executive director for Development, at 585-461-2000 x210 or tcohen@jccrochester.org.