**GIFT ACCEPTANCE POLICY**

**U.S.A. MIDWEST PROVINCE OF THE SOCIETY OF JESUS**

The U.S.A. Midwest Province of the Society of Jesus (“UMI”), a Jesuit Roman Catholic not-for-profit province organized in the State of Illinois, encourages the solicitation and acceptance of gifts to further and fulfill its mission to serve for the greater glory of God and profoundly impact countless lives. This gift acceptance policy is for all of the corporate entities of UMI.

1. **Purpose of Policies**

This statement articulates the policies of UMI Treasurer concerning the acceptance of charitable gifts and provides guidance to prospective donors and their advisors when making gifts to UMI. The UMI Treasurer will adopt appropriate procedures to implement these policies, as recommended by the Office of Advancement.

1. **Responsibility to Donors**
2. *Commitment to a Donor-Centered, Philanthropic Approach:* UMI, its staff and volunteer representatives shall endeavor to assist donors in accomplishing their philanthropic objectives in a donor-centered way. In many circumstances, this may involve the donor’s professional advisors, as charitable support is often integrated with a donor’s overall tax, estate and financial planning. (*A* *Donor Bill of Rights*,Attachment A.)
3. *Confidentiality:* Information concerning all transactions between a donor and UMI shall be held by UMI in confidence and may be disclosed only with the permission of the donor or the donor’s designee.
4. *Anonymity:* UMI shall respect the wishes of any donor offering anonymous support and will implement reasonable procedures to safeguard such donor’s identity.
5. *Ethical Standards:* UMI is committed to the highest ethical standards. UMI, its staff and volunteer representatives shall adhere to both the [*Model Standards of Practice for the Charitable Gift Planner*](http://www.pppnet.org/ethics/model_standards.html), as adopted by the Partnership for Philanthropic Planning (“PPP”) (Attachment B), and the [*Code of Ethical Principles and Standards*](http://www.afpnet.org/files/ContentDocuments/CodeOfEthicsLong.pdf), as adopted by the Association of Fundraising Professionals (“AFP”) (Attachment C). UMI will not participate in gift discussions if there is a question as to the title/ownership of the asset or the donor’s competency to transfer an asset.
6. **Legal Considerations**
7. *Compliance:* UMI shall comply with all local, state and federal laws and regulations concerning all charitable gifts it encourages, solicits or accepts. All required disclosures, registrations and procedures shall be made and followed in a thorough and timely manner.
8. *Endorsement of Providers:* UMI shall not endorse legal, tax or financial advisors to prospective donors.
9. *Finder’s Fees and Commissions:*UMI shall not pay fees to any person as consideration for directing a gift by a donor to UMI.
10. *Legal, Tax and Financial Advice:* UMI shall inform prospective donors that it does not provide legal, tax or financial advice and shall encourage prospective donors to discuss all charitable gift planning decisions with their own advisors before entering into any commitments to make gifts to UMI.
11. *Preparation of Legal Documents:* UMI shall not prepare legal documents for execution by donors, except forms to create charitable gift annuities. UMI may provide model language, such as sample bequest language, gift agreements or charitable remainder trusts, but shall strongly encourage prospective donors to have this language or sample documents reviewed by their own counsel.
12. *Payment of Fees:*It will be the responsibility of the donor to secure an appraisal (where required) and to pay for the advice of independent legal, financial or other professional advisers as needed for all gifts made to UMI.
13. *Service as Executor or Living Trust Trustee:*Unless approved in advance by the UMI Treasurer, UMI shall not agree to serve as executor of a decedent’s estate or as trustee of a living trust or other trust intended to serve as a person’s primary estate planning document.
14. *Trusteeship:*UMI may serve as trustee of trusts to maintain its gift annuity reserve accounts, as required by relevant state insurance law, in connection with UMI’s gift annuity program. UMI may serve as trustee of charitable remainder trusts, provided that 100% of the remainder interest in the trust is irrevocably dedicated to UMI and the charitable remainder trust meets the minimum standards set forth in the Gift Acceptance Procedures. UMI may serve as a trustee of trusts only in circumstances in which its investment authority as trustee is unrestricted. UMI shall not serve as co-trustee of a charitable trust.
15. *Use of Counsel:*UMI shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. Review by counsel is recommended for gifts involving: (1) closely held stock transfers that are subject to restrictions; (2) gifts involving contracts, such as bargain sales; (3) reformation of charitable trusts; and (4) transactions involving potential conflicts of interest.
16. **Gift Acceptance**
17. *Implementation:* Gift acceptance, as outlined in these policies, is delegated by the UMI Treasurer. The UMI Treasurer is authorized to accept all gifts permitted by this policy, in consultation with the UMI Provincial.
18. *Approval of Exceptions:* Acceptance of gifts outside the scope of this policy requires the written approval of the UMI Treasurer. The UMI Treasurer shall report all gifts accepted as exceptions to the policy to the UMI Provincial and the UMI Provincial Assistant for Advancement.
19. *Gift Acceptance Procedures:* The UMI Treasurer delegates to the Office of Advancement the responsibility of developing and recommending appropriate gift acceptance procedures to implement these policies.
20. *Gift Agreements:* UMI generally uses a non-binding memorandum of understanding to document gift commitments. The UMI Provincial Assistant for Advancement shall create and maintain samples for use by staff and volunteer leadership. All memoranda of understanding shall include a short profile of the donor, the donor’s commitment and timeframe for payments, UMI’s commitment (including restrictions), how the completed gift will be managed, alternative use and saving language, stewardship, and donor recognition.
    1. *Unrestricted Commitments Within a Fiscal Year:* UMI does not require memoranda of understanding for unrestricted gift commitments within the current fiscal year.
    2. *Unrestricted Commitments Covering More Than One Fiscal Year:* If the unrestricted commitment shall cover more than one fiscal year, a simple letter or card documenting the gift amount and payment schedule may be substituted for a formal memorandum of understanding.
    3. *Commitments Subject to Restrictions:*  UMI requires an executed memorandum of understanding for all commitments subject to restrictions, including restricted endowment gifts.
    4. *Commitments of or Greater Than $1,000,000:* UMI requires an executed, binding gift agreement (pledge) for all commitments at or over $1,000,000.00, unless waived in writing by the UMI Treasurer.
21. *Non-Gifts:* Payment made to UMI for a specific individual shall not be accepted as a charitable gift.
22. **Gift Restrictions**
23. *Unrestricted Gifts:* To provide UMI with maximum flexibility in the pursuit of its mission, donors shall always be encouraged to consider unrestricted gifts or gifts restricted to funding priorities of UMI.
24. *Budgeted Programs or Facilities:* UMI may accept gifts restricted to specific budgeted programs and purposes.
25. *Other Restrictions on Gifts:* UMI may accept gifts restricted to non-budgeted programs and purposes only upon the prior, written approval of the UMI Treasurer. UMI reserves the right to decline gifts which are too restrictive in purpose, too difficult to administer, or for purposes outside of its mission.
26. **Types of Property**

These assets may be considered for acceptance by UMI, subject to the following criteria:

1. *Cash:* Acceptable in any negotiable form, including currency, check and credit card gifts.
2. *Securities:*
   1. *Publicly Traded Securities:*  Stocks, bonds and mutual funds traded on an exchange or other publicly reported market are acceptable.
   2. *Closely Held Securities and Business Interests:* Debt and equity positions in non-publicly traded businesses, hedge funds, REITs, interests in limited liability companies and partnerships may only be accepted upon prior written approval of the UMI Treasurer after review in accordance with the Gift Acceptance Procedures.
   3. *Options and Other Rights in Securities:* Warrants, stock options and stock appreciation rights may only be accepted upon prior written approval of the UMI Treasurer after review in accordance with the Gift Acceptance Procedures.
3. *Life Insurance:* UMI will accept a gift of life insurance provided that UMI has been named both beneficiary and irrevocable owner of the policy.
4. *Real Property:* Personal and commercial real property, real estate interests/derivatives, and remainder interests in property (gifts subject to a retained life estate) may only be accepted upon prior written approval of the UMI Treasurer after review in accordance with the Gift Acceptance Procedures, including appropriate environmental screenings. For gifts subject to a retained life estate, the donor or primary life beneficiary shall be responsible for all expenses other than capital expenditures during the life tenancy, including but not limited to maintenance, real estate taxes, assessments and insurance.
5. *Tangible Personal Property:* Jewelry, books, works of art, collections, equipment and other property that may be touched may only be accepted after review in accordance with the Gift Acceptance Procedures.
6. *Other Property:* Property not otherwise described in this section, whether real or personal, of any description (including but not limited to mortgages, notes, contract rights, copyrights, patents, trademarks, mineral rights, oil and gas interests and royalties) may be only be accepted upon prior written approval of the UMI Treasurer.
7. **Structured Current Gifts**
8. *Bargain Sales:* Transactions wherein UMI pays less than full value for an asset and issues a gift receipt for the difference may only be accepted upon prior written approval of the UMI Treasurer after review in accordance with the Gift Acceptance Procedures.
9. *Charitable Lead Trusts:* UMI may accept a designation as income beneficiary of a charitable lead trust. UMI shall not serve as trustee of a charitable lead trust.
10. *Qualified Charitable Distributions:* UMI may accept QCDs directly transferred from a qualified donor’s IRA, as permitted under the Consolidated Appropriations Act of 2016.
11. *Matching Gifts:* UMI will accept all matching gifts, subject to the terms and conditions of Section VI.
12. *Other Structured Current Gifts:* UMI may only accept other structured current gifts with prior written approval of the GAC after review in accordance with the Gift Acceptance Procedures.
13. **Future Gifts**
14. *Future Gifts Subject to a* *Payment Interest*
    1. *Charitable Gift Annuities:* UMI offers immediate payment, deferred payment, commuted payment and flexible payment charitable gift annuities, provided:
       * 1. Minimum funding amount: $10,000
         2. Maximum funding amount: 25% of total gift annuity pool [if pool is unrestricted]; (10% of total gift annuity pool if pool is restricted)
         3. Minimum age(s): None (All proposals for donors with an average age under 60 shall include an option with a hedge against inflation)
         4. Maximum number of lives: Two
         5. Ultimate beneficiary: UMI for 100%, irrevocably
         6. Payout rate: American Council on Gift Annuities recommended rates (All proposals shall include offer of 100%, 90% and 80% of the ACGA recommended rate)
         7. Payment schedule: Monthly, quarterly, semi-annual or annual
         8. Funding assets: Prior written approval of the UMI Treasurer is required for assets other than cash or publicly traded securities
    2. *Charitable Remainder Trusts When UMI Serves as Trustee:* UMI will serve as trustee of charitable remainder trusts, provided:
       * 1. Minimum funding amount: $100,000
         2. Maximum funding amount: None
         3. Minimum age(s): None
         4. Maximum number of lives: None
         5. Ultimate beneficiary: UMI for 100%, irrevocably
         6. Payout rate: Per gift acceptance procedures (generally 5%-7%)
         7. Minimum charitable remainder: 25% of the funding amount (using the income tax charitable deduction methodology)
         8. Payment schedule: Monthly, quarterly, semi-annual or annual
         9. Funding assets: Prior written approval of the UMI Treasurer is required for assets other than cash or publicly traded securities, although a broader array of assets will be approved for a charitable remainder trust than a charitable gift annuity
         10. Costs charged to the trust: Investment management, administration, legal counsel and tax return preparation
    3. *Charitable Remainder Trusts When UMI Does Not Serve as Trustee:* UMI will accept designation as charitable beneficiary of charitable remainder trusts that do not name UMI as trustee. Donors who create externally managed and trusteed trusts will be asked to provide UMI with a copy of the trust document and annual investment reports for record-keeping purposes.
15. *Future Gifts Not Subject to a* *Payment Interest*
    1. *Gifts by Will or Living Trust:* Donors and supporters of UMI will be encouraged to designate UMI as a beneficiary of their wills or living trusts.
    2. *Retirement Plan, Life Insurance and Other Beneficiary Designations:* Donors and supporters of UMI will be encouraged to designate UMI as beneficiary or contingent beneficiary of their retirement plans, life insurance policies and other accounts on which they can name a beneficiary.
16. **Donor Recognition**
17. *General:* The UMI Provincial, upon recommendation of the UMI Office of Advancement, will establish criteria for the recognition, honoring and stewarding of donors.
18. *Buildings:* Except in the case of naming opportunities that appear on a schedule approved by the UMI Provincial, the advancement staff of UMI shall make no commitments to donors concerning the naming of buildings or facilities without the approval of the UMI Provincial upon recommendation of the UMI Treasurer and the UMI Provincial Assistant for Advancement.
19. **Reporting and Valuation Standards**
20. *Gift Reporting and Counting:* For outright gifts, UMI shall follow the [*PPP Guidelines for Reporting and Counting Charitable Gifts*](http://www.pppnet.org/pdf/PPP_counting_guidelines_(2009).pdf), Second Edition, 2009. All exceptions to these standards shall be made by the UMI Treasurer.
21. *Gift Valuation:* UMI shall follow the [*PPP Valuation Standards for Charitable Planned Gifts*](http://www.pppnet.org/pdf/2009_valuation_standards.pdf). All exceptions to these standards shall be made by the UMI Treasurer.

1. **Periodic Review**
2. *Regular Review:* The UMI Treasurer and the UMI Provincial Assistant for Advancement shall review these policies in even numbered years to ensure that they continue to accurately describe the policies of UMI with respect to acceptance of charitable gifts.
3. *Special Review:*The UMI Treasurer and the UMI Provincial Assistant for Advancement shall initiate a supplemental review of these policies upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by UMI, or prior to the start of a formal fundraising campaign. All proposed changes shall be shared with the UMI Provincial for ratification.