

THE TAFT SCHOOL

Gift Acceptance Policy

The Taft School (“the School” or “Taft”), a nonstock 501(c)(3) corporation organized under the laws of the State of Connecticut, encourages the solicitation and acceptance of gifts to the School for purposes which support its students, programs and facilities that are in keeping with the mission and strategic plan of the School. The following is meant to be a set of guidelines for the evaluation and acceptance of donations.

The Taft School’s mission is to educate the whole student. The Advancement Office’s mission is to continue to provide funding for the School to grow it’s academic and extracurricular programs. Providing these funds will continue Taft’s mission to meet the ever-changing demands of an ever-changing and increasingly global community; it allows Taft to hire talented faculty members, who are not only experts in their fields, but exceptional teachers and role models, who bring unparalleled passion and dedication to all that they do; it furthers the School’s ability to preserve and enhance our historic campus, surely one of the most beautiful in the nation; and to always ensure, , that the best and the brightest students from across the globe and from all walks of life can enroll here, enriching the lives of all Taft students.

I. Purpose of Policies and Guidelines

The Board of Trustees of Taft and its employees solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the School. These policies and guidelines govern the acceptance of gifts by the School and provide guidance to prospective donors and their advisors when making gifts to the School. The provisions of these policies shall apply to all gifts received by the School for any of its programs or services.

II. Gift Review Committee

The School shall have a Gift Review Committee comprised of the Chief Advancement Officer, the Chief Financial Officer and the School Counsel to consider and approve exceptions to, or matters outside of, this Gift Acceptance Policy.

III. Use of Legal Counsel

A. The School. The School may seek the advice of outside legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

1. Closely held stock transfers that are subject to restrictions of buy-sell agreements.
2. Documents naming the School as Trustee.
3. Gifts involving contracts, such as bargain sales or documents requiring the School to assume an obligation.
4. Transactions with potential conflict of interest that may involve IRS sanctions.
5. Gifts of tangible assets (fine art, electronics, hard assets, private equity, life insurance, real estate and other non-financial assets)

6. Other instances in which use of counsel is deemed appropriate by the Gift Review Committee.

B. The Donor. The School encourages prospective donors to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Donors will pay for outside advice as they see necessary.

IV. Confidentiality and Privacy Policies

We assume that in the course of discussing prospective major gifts for the School, fundraising committee members, employees, trustees, volunteers, and fundraising consultants, will, upon occasion, discuss information of a personal and financial nature concerning donors. The following policies are established to affirm the School's commitment to protect the privacy, dignity, and trust of its benefactors, friends, and prospective donors. These policies are intended to further the mission of the School and to protect and respect the rights of donors and the School. All fundraisers at the School agree to follow these policies.

1. All fundraising-related discussions concerning major gift donor prospects are strictly confidential.
2. All information concerning financial capability, past giving patterns, specific gifts, and personal disclosures about giving interest, is confidential.
3. Permission to publicly recognize a donor and his/her gift is assumed, unless otherwise requested by the donor. This should be clearly understood with the donor.
4. Policies regarding anonymity and the reporting of gifts are outlined specifically under gift acceptance policies and are specific to the type of gift made.

The School places the highest priority on protecting the privacy of its donor information.

V. Guiding Principles of Gift Acceptance

Gifts to the School will be determined to be acceptable based upon the following principles:

Support of Mission: All gifts must be in furtherance of the School's mission and purpose as a private, independent boarding School.

Reputation and Core Values: The School will not accept a gift which may damage or compromise its reputation, is not in the best interests of the School community, or is not consistent with the School's core values.

Philanthropic Intent: Gifts to the School are given expressly with a philanthropic intent and should not be donated with any degree of expected benefit or influence over School activities in return for the gift. The gift is wholly owned and controlled by the School once it is received.

Undue Burden: While the School appreciates all gifts, we cannot accept a gift that imposes an unreasonable or undue financial, legal, or administrative burden on the School, its faculty, staff, students, or other resources.

Gift Restrictions: The School seeks gifts that provide support to our greatest needs and priorities. Gifts should be in amounts appropriate to the specified use(s). Gifts should not be directed to purposes that are so restrictive that effective use or administration will be problematic.

Equal Opportunity: The School does not accept gifts restricted to purposes or programs which involve discrimination based upon the School's non-discrimination policy or any other basis prohibited by federal, state, and local laws and regulations.

Donor Advisors: While the School may work with donors to further their charitable, financial, and estate planning goals, donors are ultimately responsible for ensuring that their proposed gift furthers their goals. Donors are encouraged to seek the advice of independent legal, tax, and financial advisors in matters relating to their gifts.

VI. Policy Regarding Specific Types of Gifts

Cash and its Equivalent

The School accepts gifts made as cash, through a valid checking account, by credit or debit card, through online payments such as Venmo and Paypal, and other cash equivalents. Donations by cryptocurrency are subject to review and acceptance by the Gift Review Committee. The School, in its discretion, reserves to the right to change the forms of gifts it accepts this policy at any time.

The gift will be recorded on the date the gift is received in the Advancement Office, with the exception of gifts received at the close of the calendar year. At that time the date of the postmark on the envelope shall serve as the gift date.

Gifts of Appreciated Marketable Securities

Gifts of appreciated property in the form of marketable stock are accepted by the School through the School approved brokerage account. The donor must initiate the transfer of securities either electronically or make arrangements for physical delivery with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. Before a transfer is made, it is the donor's responsibility to inform the School that a stock donation is in process and that the School shall be the beneficiary of the gift. As a rule, all marketable securities shall be sold immediately upon receipt and the proceeds, in the form of a check or electronic funds transfer, will be forwarded to the School.

Gifts of Closely-Held Securities

Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, legend stock or other ownership forms, can be accepted subject to

review by the Gift Review Committee and approval by the Board of Trustees. The Gift Review Committee shall review and evaluate closely held securities based on the following factors:

1. Restrictions on the security that would prevent the School from ultimately converting the securities to cash;
2. The marketability of the securities; and
3. Any undesirable consequences for the School from accepting the securities.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Board of Trustees upon recommendation from the Gift Review Committee and with the advice of legal counsel when deemed necessary. Non-marketable securities shall be sold as quickly as possible.

Gifts of Tangible Personal Property (Gifts-In-Kind)

Gifts of tangible personal property (other than securities) may be accepted by the Development Office provided that they meet the approved needs of the School and do not place an undue burden on the School to maintain. Gifts of tangible personal property are deductible according to their Fair Market Value (FMV) as evidenced by the donor. For proper acknowledgment, donors should provide the School with a detailed description of the item when making the donation. In accordance with IRS guidelines, the School will provide the donor with an acknowledgement of the gift, but will not acknowledge an assumed FMV unless the donor provides an independent appraisal. It is the donor's responsibility to substantiate the FMV to the IRS.

If the gift is valued by the donor at over \$5000, the donor must file IRS Form 8283. The donor also must obtain a qualified appraisal to determine the value of donations exceeding \$5,000 and submit an appraisal summary to the School (IRS Form 8293 part B). The School will submit a Donee Information Return (IRS Form 8282) if the School sells a gift with an original value of \$5000 or greater within three years after receiving the personal property.

Gifts of artwork, decorative items, cars, boats and airplanes require distinct approval by the Gift Review Committee. All such assets are treated uniquely by IRS regulations both in terms of the School's responsibility in accepting such gifts and the donor's responsibility in reporting them. The School strongly suggests that donors consult with their tax advisors whenever making a gift of tangible personal property.

Gifts of Real Estate

Gifts of real estate will be evaluated for recommendation of acceptance on a case-by-case basis by the Gift Review Committee and are subject to the approval of the Finance and Investment Committee in consultation with the Board of Trustees. Gifts of real property will only be considered if they have a value of at least \$100,000 , The donor must provide the following documents (dated within three months) to the Gift Review Committee for their review:

- Real estate **mortgage-free** deed
- Complete Title Search – (title must be free and clear or any title issue, open building permit items, and must be remedied by the owner if applicable)
- Environmental Audit – issue free and/or remediated
- Building inspection report
- Plot plan
- Maintenance history and disclosures - roof, septic, other
- Property Survey
- Substantiation of zoning status
- Building permits or certificates of occupancy if required
- Utility bills for one year
- Real estate tax bill
- Certificate of Insurance for the property

The Gift Review Committee shall consider the following factors in evaluating whether to accept the proposed real estate:

1. Whether the property is useful for the School's purposes;
2. The marketability of the property;
3. Encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property;
4. Carrying costs associated with the property, including insurance, property taxes, mortgages, notes or other costs; and
5. Environmental or other property concerns.

The Gift Review Committee will make a recommendation to the Finance and Investment Committee of the Board of Trustees regarding the acceptance of the real estate. The Finance and Investment Committee, in consultation with the Board of Trustees, shall make the final determination on the acceptance of the real estate. In order for property gifts to be recognized, complete transfer of ownership must occur. The donor will carry the costs of the property until it is formally conveyed to the School. As a rule, all real estate shall be sold as soon as possible after conveyance unless the property is deemed useful for the School's purposes.

Exceptions to this policy must be approved by the Gift Review Committee and the Board of Trustees.

Remainder Interests in Property

The School will not accept remainder interests in property. Exceptions to this policy must be approved by the Board of Trustees.

Bequests

Donors may make bequests to the School under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with GAAP.

Charitable Remainder Trusts

This is an irrevocable trust that allows the donor and/or the beneficiaries to receive an income stream for a period of years or the life of one or more individuals, with the remainder of the assets passing to the School. The School may accept designations as a remainder beneficiary of a charitable remainder trust. The School may not accept appointment as trustee of a charitable remainder trust.

Charitable Lead Trusts

This is an irrevocable trust that provides an income stream for the School for a term of years or the life of one or more individuals, with the remainder passing to a family member or other non-charitable beneficiary. The School may accept designations as income beneficiary of a charitable lead trust. The School may not accept an appointment as trustee of a charitable lead trust.

Retirement Plan Beneficiary Designations

The School may accept designations as beneficiary of the donor's retirement plan. Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with GAAP.

Life Insurance

The School may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once the School is named as both the beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules. If the donor contributes future premium payments, the School will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the School may with approval of the Gift Review Committee:

1. Continue to pay the premiums;
2. Convert the policy to paid up insurance; or
3. Surrender the policy for its current cash value.

Donors may name the School as beneficiary or contingent beneficiary of their life insurance policies. Designations will not be recorded as gifts until the gift is irrevocable. The gift shall be recorded in accordance with GAAP once the gift is irrevocable.

Charitable Gift Annuities

The School may offer charitable gift annuities. The minimum gift for funding is **\$ 10,000**. The minimum age for life income beneficiaries of a gift annuity shall be 65 years old. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be **55** years old. No more than two life income beneficiaries will be permitted for any gift annuity. The Gift Review Committee may make exceptions to these minimums.

The School's total charitable gift annuity aggregate dollar amount may not exceed ten percent of the School's endowment valued at the end of the most recent fiscal year.

Payment Schedule. Annuity payments may be made quarterly, semiannually, or annually. The Gift Review Committee may make exceptions to this payment schedule.

Annuity Rates. The School will follow the charitable gift annuity rates suggested by the American Council on Gift Annuities (ACGA). Exceptions to this rate must be approved by the Gift Review Committee.

Illiquid Assets. The School may not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities.

VII. Giving Opportunities

Unrestricted Giving

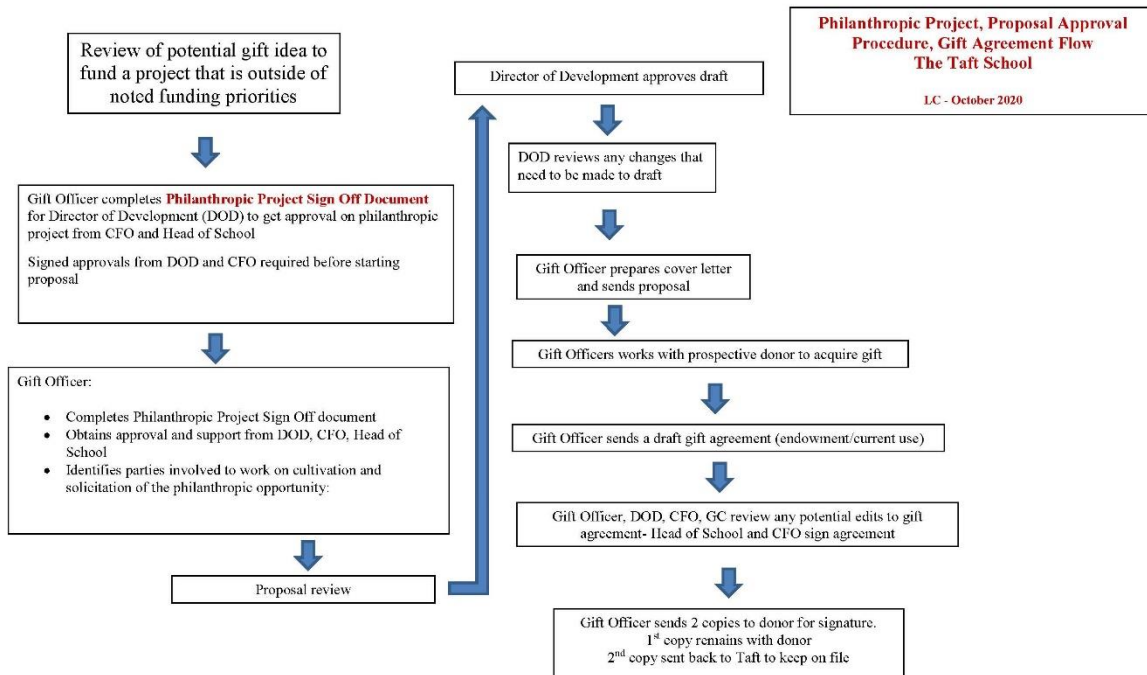
Gifts given to the School that carry no designation by the donor and are not solicited for a restricted purpose (see below) are considered to be unrestricted and may be used for any purpose as directed by the Chief Advancement Officer, the Head of School, and the Chief Financial Officer. Unrestricted gifts provide the most flexibility to meet the operational needs of the School.

Restricted Giving

As noted above, a gift given for a specific purpose is restricted in its use by the donor. The Chief Advancement Officer has the authority to accept such gifts based on the priorities of the School as articulated by the Board and the Head of School.

VIII. Gift Administration

The Advancement Office assumes primary responsibility for raising funds and all gift receipts, including sports or club related gifts. The gift-acceptance procedure flow chart below provides guidance before, during and after the acceptance of the gift.



Where appropriate, the School shall enter into a written gift agreement with the donor specifying the terms of any restricted gift. Gifts for a named endowment at any level, capital gifts at levels that include naming rights, or gift commitments of \$50,000 or greater, must be by written contract signed by the donor and the Head of School and CFO (or School Counsel in the absence of the Head of School or CFO) on behalf of the School .

Acceptance by the School of pledges by donors of future support of the School shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge.

The School recognizes that accurately processing a gift in a timely manner is critical to both the donor and the School. Process coordination between the Advancement Office and the Business Office is essential. Additionally, anyone else on campus who knows of the gift, such as the head of school, dean, faculty member, coach, staff, or trustee, must inform the Advancement Office as soon as possible to expedite the gift recording and acknowledgement letter.

Gift Acknowledgement

All gifts will be documented in the Advancement Office constituent record management software as soon as possible after receipt of the gift. Written acknowledgment of all gifts will be made within 24 hours of receipt whenever possible and comply with the current IRS requirements in acknowledgement of the gift. Additionally, the School will furnish donors with records of their giving whenever requested.

Fees

The School will not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by donor for completing the gift; (2) appraisal fees; (3) environmental audits and title binders (for real property); and (4) all other third-party fees associated with the transfer of the gift to the School.

Valuation of Gifts

The School shall record gifts received at their valuation on the date of the gift when a gift is irrevocable. Gifts not due until a future date may be recorded at the time the gift becomes irrevocable in accordance with GAAP.

IRS Filings Upon Sale of Gifts

If applicable, the School shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three years of receipt by the School. Charitable deduction property means any donated property (other than money and publicly traded securities) if the value claimed by the donor exceeds \$5,000 per item or group of similar items donated by the donor to the School (i.e. the property listed in Section B on Form 8283). The School should file this form within 125 days of the date of sale or disposition of the asset.

Pledge Policies and Procedures

Pledges may be received in writing, through email or verbally and will be acknowledged by the Advancement Office as such. Pledges made by donors will be booked in the Advancement Office as a prediction of anticipated gifts, but will not be booked in the general ledger by the Business Office.

Capital and Endowment Pledges

Pledges for capital or endowment purposes that are to be fulfilled over a period from one to five years can only be counted if received in writing and acknowledged as such by the Advancement Office. Pledges for capital or endowment purposes that are to be fulfilled beyond five years must be reviewed and approved by the Gift Review Committee. All such pledges will be booked in both the Advancement Office database and the general ledger in the Business Office.

