

THE FOUNDATION FOR AMIGOS DE LAS AMÉRICAS

GIFT ACCEPTANCE POLICIES AND GUIDELINES

The Board of Trustees (the “Board”) of Foundation for Amigos de las Américas (the “Foundation”) encourages the solicitation and acceptance of gifts to the Foundation for purposes that will help the Foundation to further and fulfill its mission, including support of Amigos de las Américas and its affiliated chapters and Latin American host country organizations. The following policies and guidelines govern acceptance of all gifts made to the Foundation or for the benefit of any of its programs.

I. GENERAL

- A. Payment of commitments to the Foundation may take the form of one or a combination of the following: cash, marketable securities, or real property that can be reasonably expected to be converted to cash within a reasonable time period. (one to three years)
- B. Commitments will be publicly recognized and/or commemorated consistent with the donor’s wishes and the guidelines approved by the Board. Requests by donors for anonymity will be honored.

Permission to publicly recognize a donor and his/her gift will be assumed unless otherwise requested.

- C. Gifts will not be accepted where there is no charitable intent on the part of the donor.

II. PLEDGES

- A. Verbal pledges will not be recognized as having been made. Either a signed pledge or letter of intent must be in the possession of the Foundation before a pledge is recorded.
- B. The normal pledge payment period for gifts to the capital campaign will be three years. Exceptions can be made for a period not to exceed five years.
- C. Permanent donor recognition will be based upon the full payment of pledge commitments within a three-year period.

III. PROPERTY GIFTS

- A. In order for property gifts to be recognized, complete transfer of ownership must have occurred.
- B. All property gifts received will be converted to cash at the earliest opportunity. Generally, the Foundation for Amigos de las Américas will not accept property gifts

where conversion to cash is not likely prior to five years, unless the donor guarantees such a conversion.

- C. Associated expenses of any property gifts are to be borne by the donor, including environmental testing and appraisal fees.
- D. All property gifts received by the Foundation and disposed of within two years from the date of receipt will be duly reported to the IRS when required.
- E. All property gifts will be subject to environmental evaluation prior to acceptance by the Foundation. The extent of that review will be determined for each property, and the expense will be borne by the donor.
- F. Property encumbered by a mortgage or other indebtedness will not be accepted as a gift.

IV. GIFT VALUATIONS

A. Cash

In cases where gifts are made in cash, the valuation is the amount of the cash.

B. Publicly Traded Securities

Gifts of securities will be valued at the average market value on the date the full interest in the transferred property is received

C. Privately Held Securities

Gifts of closely held stock will be valued based on a qualified independent appraisal at the time of transfer. Generally, gifts of privately held securities will be accepted only when conversion into cash within a five-year time frame is expected.

D. Real Property

Gifts of real property will be reported based on the appraised value as determined by a qualified independent appraiser within sixty days of the date of transfer.

E. Life Insurance

Gifts of life insurance will be valued, for recognition purposes, based on the policy surrender value as of the date of the transfer.

F. Gifts-In-Kind

Gifts-in-kind are tangible gifts other than cash, marketable or privately held securities, or real property. Gifts-in-kind directly related to the business or profession of the provider will be recognized at the level of actual expenses invoiced

but not to be paid. Gifts-in-kind of an undetermined value will be recorded at one dollar (\$1.00) and acknowledged as received with no value stated.

G. Service

Gifts of service are contributions of actual, billable service directly related to the business or profession of the provider. Gifts of services will be recognized at the level of actual expenses invoiced or voucher provided but not to be paid. Evidence of a gift of service will be a voided or canceled invoice stating the date, type of service rendered, quantity cost, total cost, and amount to be contributed or forgiven or a voucher allowing that service at a future date.

V. APPRAISAL REQUIREMENTS

- A. Gifts of property, other than publicly traded securities or property directly related to the business or profession of the provider must be accompanied by an appraisal if the estimated value exceeds \$1,000. An appraisal should be required any time there is doubt about the fair valuation of a property gift estimated to be valued in excess of \$1000. The appraisal must be provided by a qualified independent appraiser. The appraiser cannot be associated with the Foundation or any of its employees. When the gift is to fund a specific recognition opportunity, donors agree to make up any short falls upon conversion to cash.
- B. Donors of property gifts must seek their own legal and tax counsel in regards to all property gifts. The Foundation reserves the right to refuse gifts of property when it is determined that the donor has not complied with IRS appraisal requirements or that the advice of the independent counsel is not being obtained.
- C. Donors of property gifts will receive an acknowledgment of the gift only when complete transfer has occurred. The acknowledgment will not include any reference to the value of the gift.
- D. All costs associated with obtaining a qualified appraisal will be borne by the donor.

VI. RESPONSIBILITY OF DONORS

- A. Information concerning gift planning is to be for illustrative purposes only and is not to be relied upon exclusively in individual circumstances. A letter of understanding from a donor of a property gift may be required along with proof of outside advice being rendered before such a gift will be accepted.
- B. All potential or proposed planned gifts or restricted gifts may be individually reviewed by the Chairperson of the Board. Prospective donors are encouraged to request, and may expect to receive a letter from the Foundation regarding agreements to restrictions placed upon the proposed gift by the donor.

- C. Although representatives of the Foundation will provide all appropriate assistance, the ultimate responsibility regarding evaluations, tax deductibility, and/or such counsel as the donor may wish to secure is the responsibility of the donor.
- D. To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, or the dissemination of income or estate tax advice, all donors of property gifts must indicate the professional advisors rendering opinion on the gift.

VII. GIFT ACCEPTANCE

- A. Trustees, Advisory Board Members, and Campaign Volunteers are authorized to accept all gifts of marketable securities and cash gifts.
- B. Property gifts other than real estate may be accepted in amounts under \$25,000 by the Gift Acceptance Committee. Property gifts other than real estate valued over \$25,000 must be reviewed by the Gift Acceptance Committee and receive formal approval by the Board of Trustees.
- C. Gifts of real estate must be reviewed by the Gift Acceptance Committee and receive formal approval of the Board of Trustees.

VIII. STOCK TRANSFERS AND SALES

- A. In the case of the gift of or pledge payment in the form of marketable securities, the stocks will be sold as soon as practicable upon transfer of ownership
- B. As previously noted in Section IV.B. of these policies, the gift will be evaluated on the basis of the average market value of the stocks on the date of transfer.
- C. Any loss or gain in the value of the stock, resulting from the timing of the sale, will not be added or subtracted from the gift evaluation.
- D. It is understood that the donor, in transferring ownership of the stock, is making a charitable contribution and, as such, has no rights concerning the disposition, sale, or retention of any stocks given to the Foundation.
- E. Upon written request by the donor of securities and the approval of the Gift Acceptance Committee, the Foundation may agree to hold the securities as transferred for a designated period of time. In this case, the Foundation assumes all risks concerning potential benefit or loss due to changing market values as the securities are retained rather than sold.

IX. LIFE INSURANCE GIFTS

- A. Existing Policies

- a. Transfer of an existing policy is to be absolute, with full ownership vested in the Foundation.
- b. The Foundation reserves the right to surrender the policy if it so desires.
- c. The policy should have a net cash value with no outstanding loans.
- d. The Foundation should be provided with a summary of the policy, including the donor's cost basis and current cash surrender value.
- e. When applicable, the donor agrees to contribute, on an annual basis, the amount necessary to maintain the policy in force.

B. New Policies

- a. All gifts of new insurance must be with an insurance company rated A or better with the AM Best Company.
- b. The Foundation requests that all proposals for gifts of insurance be submitted to the Foundation prior to the policy being applied for.
- c. The Foundation will normally not accept any gift of a life insurance policy with a premium payment period of over ten years.
- d. Annual donors to the Foundation will be requested to continue their annual support in either cash or marketable property in addition to a gift of life insurance.
- e. The Foundation will not accept an insurance policy where the intent of a donor is for the Foundation to pay the future premium payments through policy loans.
- f. The Foundation should be provided with a letter of understanding concerning any policy for which premiums are calculated on the basis of variable interest and mortality assumptions.

X. BEQUESTS

For purposes of campaign accounting, quantifiable (specific) bequests from persons seventy-five years of age or older will be counted in the campaign totals. For this bequest to be counted, the Foundation for Amigos de las Américas must receive a dated copy of the will or the codicil to the will which makes provision for the specific bequest to the Foundation. Wills or codicils indicating residual or contingent bequests will be graciously received but will not be counted for the purposes of this campaign.

XI. SOLICITATION OF MATCHING GIFTS

Whenever and wherever possible, donors to the capital campaign will be encouraged to seek out and take advantage of corporate or foundation matching gift programs.

A. Designation of Matching Gift

Unless otherwise directed by the donor corporation or foundation, income from matching gifts will be designated for the same restricted purpose as the original gift of the individual donor.

B. Donor Recognition

The corporate or foundation matching gift donor will receive credit and appropriate named gift recognition and/or will be categorized in the appropriate donor recognition level.

C. Reporting of Matching Gift

In classifying gifts for campaign reporting, matching gifts will be recorded and reported in the categories of corporations or foundations, respectively. Matching gift values will be added to the category of the original “matched” donor.

D. Crediting of Matching Gift

Doubling the impact of the original donor’s gift, the matching gift will be credited to an individual or family gift and therefore will entitle the individual or family donor to increased recognition or naming opportunities.

E. Named Giving Opportunities

In written forms of recognition, the corporate or foundation matching donor and the originating donor will be given joint credit; this will increase the named giving opportunity or the recognition level of the originating donor.

XII. USE OF LEGAL COUNCIL

The Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Gifts involving real estate.
- B. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- C. Gifts involving partnership interests.
- D. Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation.
- E. Transactions with potential conflict of interest.
- F. Other instances in which use of counsel is deemed appropriate by the staff and/or the gift acceptance committee.

XIII. CONFLICT OF INTEREST

The Foundation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

XIV. RESTRICTIONS ON GIFTS

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such restricted gifts are not inconsistent with the Foundation's stated mission, purposes, and priorities. The Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board, after review by the gift acceptance committee.

XV. THE GIFT ACCEPTANCE COMMITTEE

When a proposed gift is referred to the Gift Acceptance Committee, the Committee is charged with the responsibility of reviewing the gift offered to the Foundation, properly screening the gift, and making recommendations to the Board. An officer of the Foundation or the Board Chair shall refer a proposed gift to the gift acceptance committee for review by notifying the Chair or Vice Chair of the Board of the proposed gift and requesting review by the Gift Acceptance Committee.

The Gift Acceptance Committee shall consist of not less than three nor more than five persons, including:

- A. The Chair or Vice Chair of the Board;
- B. One or more of the Foundation's officers or Board Members; and
- C. Such other member or members as appointed by the Chair or Vice Chair of the Board.

Decisions as to the composition of the Gift Acceptance Committee shall be made by the Chair of the Board, or in the absence of the Chair, the Vice Chair. More than one gift acceptance committee may serve simultaneously, each charged with review of different proposed gifts.

The Gift Acceptance Committee shall consult with the administrative staff of Amigos de las Américas and with such other persons, including legal counsel and other professional advisors, as it deems appropriate.

XVI. MISCELLANEOUS PROVISIONS

Responsibility for IRS Filings upon sale of gift items. The Treasurer or a designated Assistant Treasurer of the Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset. See IRS Form 8282 with Filing Instructions.

Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Treasurer or

a designated Assistant Treasurer. See IRS Publication 561 Determining the Value of Donated Property and IRS Publication 526 Charitable Contributions.

XVII. CHANGES TO THE GIFT ACCEPTANCE POLICIES

These policies and guidelines have been adopted by the Board of Trustees of the Foundation. The Board must approve any changes to, or deviations from, these policies.

Approved on the 2nd day of October, 2004.