



## **Gift Acceptance Policy**

Alexandria Country Day School is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Alexandria Country Day School (the School) encourages donors to make the School a priority when considering charitable contributions. The School gladly accepts donations for the support of its students, programs, and facilities as long as they are in keeping with the mission of the School. Gifts are essential to an institution dedicated to private education and the School cannot flourish without them.

The School's goal is to obtain funding of projects and programs without encumbering the School with gifts which may generate more cost than benefit or which are restricted in such a way as to not be in keeping with the mission of the School. This policy serves to ensure that gifts to the School do not jeopardize the School's tax-exempt status. This policy is not intended to document accounting policy regarding gifts. Gifts are recorded in the School's financial records in accordance with generally accepted accounting principles. The School reserves the right to refuse gifts of any type for any reason. The Board reserves the right to review and amend this policy at any time.

### **AUTHORITY TO ACCEPT GIFTS**

While authority to accept all proffered gifts to the School is vested in the School's Board of Trustees (the Board), the Board has delegated such authority as follows:

1. The Head of School and the Head of Advancement have the authority to accept gifts of cash, cash equivalents, and marketable securities.
2. The Head of School also has authority to accept gifts of tangible property to be used in the operations or activities of the School that have a value under \$25,000. The Head of School has the ability to delegate this authority to the Head of Advancement.
3. The Head of School and the Head of Advancement in conversation with the Executive Committee will have authority to accept other gifts. Prior to accepting gifts by bequest or devise, charitable lead trusts, charitable remainder trusts, annuities, real property, life estates, life insurance, and

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Date to be reviewed: September 1, 2022

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retirement plans, regardless of the nature of the assets making up the gift, the School shall consult with the School's legal counsel.

## **PLEDGES**

No verbal pledges will be recognized as having been made except as required by generally accepted accounting principles. A signed pledge or other appropriate written documentation must be in the School's possession before a pledge is recorded. Donor recognition will be based upon the full payment of pledge commitments within the pledge period.

## **METHODS OF GIVING**

Many types of assets may be used to provide gifts to the School, allowing donors to choose the most appropriate for their circumstances. Every effort should be made to structure gifts so as to provide maximum benefits to both parties.

### **Cash**

Gifts in the form of cash or checks will be accepted, regardless of the amount, unless there is a question as to the donor's title to the cash or his or her mental competency to legally transfer the cash as a gift to the School.

### **Property**

Publicly Traded Securities. The School will accept securities, which are traded on the major stock exchanges or other readily marketable securities. The securities will be sold as soon as practicable by the School. For purposes of donor recognition, gifts of publicly traded securities will be valued at the average of the high and low of the market value on the date the full interest in the securities is received by the School. When securities are sold by the School, commissions to brokers will be paid by the School. Gifts of publicly traded securities must be delivered in consultation with the Advancement Office.

Privately Held Securities. Non-publicly traded securities may be accepted only with the approval of the Executive Committee who shall determine its disposition and value for purposes of donor recognition. Gifts of closely held corporate stock will be valued based on a qualified independent appraisal done within the time frame required by the Internal Revenue Service for full tax benefits to be received. The donor is responsible for obtaining the appraisal. Gifts of non-publicly traded securities must be delivered in consultation with the Advancement Office.

Real Property. Real property may be accepted only with the approval of the Executive Committee after consideration of at least the following:

1. the usefulness of the property for the School's purposes;

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2. the marketability of the property;
3. the market value of the property;
4. the ongoing costs (maintenance or other fees, taxes, insurance, etc.) associated with the property;
5. the existence of, or potential for, encumbrances such as mortgages, deed restrictions, zoning ordinances, outstanding tax liabilities, or easements;
6. an environmental assessment study performed by a company approved by the Executive Committee; and
7. review by the School's legal counsel.

Gifts of real property must be made in consultation with the Advancement Office. Expenses associated with the evaluation of a gift of real property are to be borne by the donor, including environmental testing.

Life Insurance. The transfer of an existing policy is to be absolute and with full ownership vested in the School. The School reserves the right to surrender the policy at any time. Such gifts will be valued, for recognition purposes, based on the surrender value as of the date of transfer, if any. The policy must have a net cash value with no outstanding loans and when future premiums remain to be paid, the donor must agree to contribute, on an annual basis, the amount necessary to maintain the policy in force. Proposals for gifts of newly issued policies must be submitted to the Head of Advancement, reviewed by the School's legal counsel and approved by the Executive Committee prior to being transferred to the School.

Gifts In-Kind. Gifts-in-kind are tangible gifts other than cash, marketable or privately held securities, real property or life insurance policies. Gifts-in-kind of an undetermined value will be recorded in the School's financial statement at one dollar (\$1.00) and acknowledged as received with no other value stated.

Services. Gifts of services will be recognized at the cost of services the gift replaces, which would have, but for the donation of services, otherwise been actually incurred by the School.

## **APPRAISALS**

In determining the market value of certain gifts, the school may choose to obtain an appraisal or to require that an appraisal be provided by the donor. There should be no expectation on the part of the donor that the school's valuation of a gift for accounting purposes will be the same as the school's valuation for donor recognition purposes.

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The appraisal must be provided by a qualified, independent appraiser pursuant to Internal Revenue Service appraisal requirements. The appraiser cannot be associated with the donor or with Alexandria Country Day School or any of its employees. When the gift is to fund a specific recognition opportunity, donors agree to make up any short falls in cash. Donors of property will receive an acknowledgement of the gift when a complete transfer of the gift has been made. The acknowledgement will not include any reference to the value of the gift.

### **GIFT ACKNOWLEDGEMENT**

Gift acknowledgement and receipts will be issued in a timely manner in recognition of any and all documented contributions accepted by the School.

### **RESPONSIBILITY OF DONORS**

- 1 Information concerning gift planning provided by the School is for illustrative purposes only and is not to be relied upon exclusively in individual circumstances.
- 2 Although the School's representatives will provide all appropriate assistance, the ultimate responsibility regarding evaluations, tax deductibility and/or similar legal, local, state, and/or federal compliance issues rests with the donor and/or such counsel as the donor may wish to secure.
- 3 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 the opinion on the gift.
- 4 The donor is responsible for adhering to the requirements of the Internal Revenue Service with regard to all charitable gifts made to Alexandria Country Day School.

### **POLICY REVIEW**

There will be an annual review of this policy by the Advancement Chair and Head of Advancement.

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