



GOVERNANCE COMMITTEE INTERIM RECOMMENDATIONS for GJEF SCHOLARSHIP GIFTS

The Gahanna-Jefferson Education Foundation does not currently have a policy in place for gift acceptance. It is the goal of the Governance Committee to have a gift acceptance policy within the next 6 months. Until such policy is in place the Governance Committee, the Executive Director and Chair of the Finance Committee recommends the following:

- Accept the gifts of real estate as stated in the Last Will and Testament of Ruth Junkerman
 - The real estate will be sold by the executor and GJEF will receive the profits
- Create a Gift Acceptance Committee
 - The role of the Gift Acceptance Committee is to implement policies as authorized by GJEF's Board of Directors.
- Propose a .25% fee to administer the scholarships as stated in Ruth Junkerman's will.
 - Representatives from the Gift Acceptance Committee will meet with the executor of the will, Julia Faist, to discuss a very modest .25% yearly fee.
 - A fee is recommended to help offset the overhead costs of awarding and managing scholarships.
 - A fee is recommended in that scholarships, their administration, management and awarding is on the peripheral of GJEF's mission statement.
 - If the fee is disputed by the executor it is the recommendation the gift be accepted without fees attached.
- Propose that the Scholarship Committee establish guidelines on the size of scholarships as well as how the scholarships will be awarded.

I. Scope

This policy applies to all philanthropic gift activities of the foundation (GJEF).

II. Policy Statement

Private philanthropy is a critical component of GJEF's success and ability to achieve its mission. This policy serves to advise GJEF personnel who assist in the gift planning, solicitation and recording processes in order to ensure that gifts are accepted in accordance with GJEF objectives.

III. Responsibilities

A. Principles of Fundraising – All GJEF personnel will act in a professional manner and treat donors with respect. Representatives of the GJEF will use their best judgement to help donors make informed gift decisions.

B. Role of the GJEF – The GJEF was established in 2002 to assist the Gahanna-Jefferson Public School District in generating private support and to manage, invest, and administer private gifts, including endowment and real property.

C. Gift Acceptance Committee

1. Committee Members – The Gift Acceptance Committee is comprised of:

- a) the Executive Director of the GJEF (ex-officio without a vote)
- b) the Treasurer of the GJEF
- c) the Chair or Co-Chair of the Finance Committee
- d) such other individuals that the Board of Trustees shall appoint from time to time.

Each committee member will serve a term consistent with his or her tenure in the office or position specified above. The required membership of the Gift Acceptance Committee may change based on current staffing levels with approval from the Board of Trustees of GJEF. The members of the committee will vote on the Chair of the Gift Acceptance Committee. The approval of any gift under this policy shall require the vote of majority of the members of the committee at a meeting where a quorum is present or the unanimous vote of the committee by an electronic method such as email. A quorum is defined as a majority of the committee in attendance in person or by telephone.

2. Role of the Committee – The Gift Acceptance Committee is responsible for the implementation of the gift acceptance policy as authorized by the GJEF’s Board of Trustees. The Gift Acceptance Committee will convene periodically to review for acceptance certain non-standard gifts, gifts of real and personal property and gift plans, all as described below.

IV. Forms of Giving

A. Cash and cash equivalents – All charitable gifts contributed in the form of cash, checks, money orders, electronic fund transfers, and credit or debit card transactions will be recorded and acknowledged in accordance with GJEF procedures and IRS regulations.

B. Publicly traded securities – Gifts of publicly traded securities are based on the fair market value of the securities on the date of receipt. Publicly traded securities will be valued, recorded, receipted and acknowledged in accordance with GJEF procedures and IRS regulations. Securities are liquidated as soon as practicable by the GJEF’s broker unless otherwise directed by the Finance Committee of the GJEF.

C. Non-liquid business interests – Closely held or restricted securities, sole proprietorships, general or limited partnership interests, S corporation stock, and real estate investment trusts may be accepted as contributions only after review and approval by the Gift Acceptance Committee. Such gifts will be valued, recorded, receipted, and acknowledged in accordance with GJEF procedures and IRS regulations.

D. Real estate – Gifts of real estate are considered for acceptance on a case-by-case basis. Real estate may be contributed outright, through a bargain sale arrangement, or conveyed through a planned or charitable giving arrangement. The Gift Acceptance Committee will approve or decline prospective gifts. Real estate gifts are valued, recorded, receipted and acknowledged in accordance with GJEF procedures and IRS regulations.

E. Tangible personal property - Gifts of tangible personal property (gifts-in-kind) with a value in excess of \$10,000 require the approval of the Gift Acceptance Committee. Gifts-in-kind with a value less than or equal to \$10,000 may be accepted with the approval of the Executive Director of GJEF. Gifts of tangible personal property are generally gifted to the GJEF to provide resources that will enhance programs. The GJEF reserves the right to sell, exchange or otherwise dispose of donated personal property. No representation to the donor with respect to whether the gift will be sold shall be made without the approval of the Gift Acceptance Committee. Gifts of tangible personal property received by the GJEF will be valued, recorded, receipted, and acknowledged in accordance with GJEF procedures and IRS regulations.

V. Ways of Giving

A. Outright Gift – A voluntary and irrevocable transfer of cash, publicly traded securities, non-liquid business interests, real estate or tangible personal property without the expectation of, or receipt of, direct economic benefit.

B. Matching Gift – Many companies have matching gift programs that will match employee donations to 501(c) (3) organizations (foundations) or educational institutions.

C. Pledge – A promise to make a gift over a period of time or at a future date. The pledge agreement outlines the amount of the gift, any donor designations, and the anticipated payment date or dates. A pledge may be unconditional, conditional or an intention to give. A conditional pledge is a promise to give only if future and uncertain conditions are met. Donor imposed designations are not the same as conditions. An intention to give is considered a revocable agreement. All pledge types are recorded for recognition purposes in the fundraising database in accordance with GJEF procedures.

Pledges may be accepted for established GJEF programs or purposes. The pledge payment schedule typically does not exceed 5 years. Payment schedules exceeding 5 years should be reviewed by the Gift Acceptance Committee. Pledges for new or not yet existing programs, or otherwise non-standard agreements exceeding \$10,000 must be approved by the Gift Acceptance Committee.

D. Deferred (Planned) Gift – A gift that the GJEF will receive at a future date (usually upon the death of the donor or beneficiary) or over a period. Deferred gifts include bequests and retirement plan designations, life insurance policies, charitable gift annuities, charitable remainder trusts, charitable lead trusts and remainder interests in real property.

E. Bequests and Retirement Plan Designations -The GJEF may accept charitable bequests and retirement plan designations and will abide by donor designations indicated in the related documents, assuming such designations are applicable to current programs within the GJEF and do not violate GJEF policy, federal, state or local laws. The Gift Acceptance Committee must approve a restricted gift under this paragraph, which exceeds \$10,000.

F. Life Insurance Policies -The GJEF accepts gifts of life insurance policies in cases where the GJEF is named as both the owner and beneficiary, the policy is fully paid, and donor designations are for an established GJEF program. The Gift Acceptance Committee must approve exceptions to this policy. Donations of life insurance policies and contributions made to pay life insurance policy premiums will be valued, recorded, receipted and acknowledged in accordance with GJEF procedures and IRS regulations.

G. Charitable Gift Annuities -The GJEF does not establish gift annuity contracts.

H. Charitable Remainder Trusts and Charitable Lead Trusts -The GJEF may promote the use of charitable remainder and charitable lead trusts as a means of reducing income or estate taxes for the donor and providing support to the GJEF. The GJEF will not serve as Trustee for any charitable remainder or lead trust.

I. No gift of property that would require one or more payments to the donor from the assets of the GJEF shall be accepted without the approval of the Board of Trustees.

VI. Reporting

A. Fundraising: Annual and Campaign Reporting - Total fundraising in support of the GJEF for gift credit is the total of all new outright gifts, matching gifts, pledge commitments, philanthropic grants and deferred gifts documented in writing during the reporting period. Verbal pledges or commitments will not be recorded in giving totals. The amount of actual charitable receipts is reported separately and is the sum of all cash and cash equivalents,

marketable securities, real estate and tangible personal property received in the reporting period, including payments on pledges.

- B. GJEF Gift Receipts - Gift receipts are provided to donors for their tax preparation purposes and are prepared in accordance with IRS regulations. Additional letters of thanks may be generated.

VII. Capital Gifts

Capital gifts will only be accepted if approved by the Gahanna Jefferson Public School District.

VIII. Endowment Funds

Endowment Funds - With the approval of the Board of Trustees, endowments may be designated by the donor for a restricted purpose within the GJEF and may be named in honor of donors or their designees. Endowments are governed by a written gift agreement executed by the original or lead donor, and the GJEF. Endowment funds are invested and managed by professional investment advisors with the oversight of the Finance Committee of the GJEF's Board of Trustees.

The Board of Trustees shall establish a spending policy that will designate the maximum amount that can be expended from any endowment.

A fund is fully endowed when the balance reaches \$10,000. Funds have two years to reach endowment status.

Donations may be made in any of the following ways: Cash, check, credit/debit card, stock, bequest, living trust, provision in a retirement plan or IRA or a whole life insurance policy.

In the case that a fund does not reach \$10,000 within two years, the fund will become part of the GJEF's unrestricted fund. The GJEF will make every effort to use the funds to support projects that align with the intent of the donor. Donations that exceed \$10,000 will help increase the amount of funding available to support the designated purpose. All donations are received with the understanding that if the purpose of a donor restricted fund or endowment becomes illegal, impossible or impracticable, the Board of Trustees may re-designate the purpose of fund. The Board will attempt to choose a purpose which is similar to the original purpose.

Spending distributions may begin the following year after the fund has been established and fully endowed.

IX. Flow-through Funds and Minimums

A fund may be set up for a specific purpose without being endowed. In this case, there is no maximum amount that may be spent per year.

A fund is fully established when the balance reaches \$2,500. Funds have two years to become established.

Donations may be made in any of the following ways: Cash, check, credit/debit card, stock, bequest, living trust, provision in a retirement plan or IRA or a whole life insurance policy.

In the case that a fund does not reach \$2,500 within two years, the fund will become part of the GJEF's unrestricted fund. The GJEF will make every effort to use the funds to support projects that align with the intent of the donor.

X. Cy Pres Power

All donations are received with the understanding that if the purpose of a donor restricted fund or endowment becomes illegal, impossible or impracticable, the Board of Trustees may re-designate the purpose of fund. The Board will attempt to choose a purpose which is similar to the original purpose.

XI. Financial Management

Donations become assets of the GJEF. The assets of designated funds may be commingled for investment purposes and managed by professional investment advisors with the oversight of the Finance Committee of the GJEF's Board of Trustees.

XII. Fees

Any contribution of \$10,000 or more which is received for a non-core purpose of the GJEF, *e.g.* for the provision of one or more scholarships to graduates of the district, shall be assessed a fee of 0.25% of the value of the gift upon acceptance and annually thereafter upon the value of any endowment fund established by the gift. The proceeds of this fee will be used for the general purposes of the GJEF. The Board of the Trustees may waive this fee for any particular gift.

XIII. Compliance

Adherence to this policy is the responsibility of all GJEF staff and volunteers involved in soliciting, documenting and accepting gifts. At each step in the drafting of a gift agreement, the pertinent staff (i.e. fundraisers, reviewers, signatories) will review the terms of each gift and strive to ensure that gifts are compliant with this policy, with IRS regulations, and with FASB requirements.

XIV. Forms – See Appendix A

XV. Dates

A. Effective Date: Submitted June x, 2019; Approved _____ x, 2019

B. Date of Most Recent Review by Gift Acceptance Committee: _____ x, 2019

XVI. Timetable for Review and Revision

This policy, related procedures shall be reviewed at least biennially by the Gift Acceptance Committee. Revisions to this Policy shall be approved by the Board of Trustees.

XVII. Signature

Approved:

 /S
Board of Trustees

Appendix A – GIFTS OR GRANTS DONATION FORM

Please be advised that according to Gahanna Jefferson Education Foundation (GJEF) Board of Trustee Policy, all gifts, grants, and bequests become foundation property. In order to be accepted, gifts, grants, and bequests must:

- a) Have a purpose consistent with the Foundation’s
- b) Be offered by a donor acceptable to the Foundation
- c) Not begin a program that the Foundation would be unwilling to take over when the gift, or grant funds are exhausted
- d) Not place any restrictions on the school programs
- e) Not be inappropriate for or bring harm to the best education of students
- f) Not imply endorsement of any business or product
- g) Not be in conflict with any provisions of the Foundation policy or public law

We sincerely appreciated your interest in the Foundation and your willingness to donate:

Appraisal of gifts for tax purposes is the responsibility of the donor. The Gahanna Jefferson Education Foundation (GJEF) does not assess donations to determine value for IRS reporting. Acceptance of gifts that have been appraised by the donor or a third party does not imply an endorsement of such appraised value by the Gahanna Jefferson Education Foundation.

Signature of Donor _____ **Date** _____

Print or Type Donor Name _____

Representing _____ **Phone Number** _____

Street Address _____

City, State, Zip _____

Email: _____

A. Name of the Fund

B. Description of the Fund including purpose and restrictions

C. Type of Fund (Endowment, flow-through, other)

D. Amount of Initial Donation \$

E. Date Received

Name: Executive Director
Office: Ext. #
Cell:
Email Address: