

CHILDREN INCORPORATED

GIFT ACCEPTANCE POLICIES AND GUIDELINES

Overview

Children Incorporated is a non-stock, not for profit corporation organized under the laws of the Commonwealth of Virginia, and has been determined by the Internal Revenue Service to be an exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Organization"). The mission of the Organization is to provide resources for children in need in the United States and abroad, because of the passionate belief that children everywhere deserve education, hope, and opportunity (the "Mission").

The Organization is able to pursue its Mission and accomplish its exempt purposes because of the generosity of individuals, families, companies and other organizations that make current and future gifts to the Organization. The Organization encourages the solicitation and acceptance of gifts to further and fulfill its exempt purposes and Mission.

In order to provide guidance to the Organization's staff, as well as to prospective donors and their advisors contemplating making a gift to the Organization, to promote discipline in gift acceptance and administration and to protect the Organization from unanticipated costs and publicity, the following policies and guidelines have been adopted by the Board of Directors (the "Board") to govern acceptance of all gifts made to the Organization or for the benefit of any of its programs.

1. Use of Legal Counsel, Tax and other Specialized Advisors

The Organization will seek the advice of legal counsel in matters relating to acceptance of gifts when it is deemed appropriate.

All prospective donors are strongly encouraged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Organization is neither a legal expert nor a tax expert, and therefore not authorized to provide any legal opinions or tax advice.

2. Restrictions on Gifts, Gifts that May be Refused

The Organization seeks gifts that provide maximum flexibility to accomplish its purposes. The Organization will not accept:

- Gifts with restrictions that are substantially inconsistent with (or outside) its stated Mission, programs, exempt purpose, and priorities.
- Gifts that violate the terms of the corporate charter or are too difficult to administer.
- Gifts that create or cause the appearance of creating a conflict of interest with the Organization.
- Gifts otherwise not in the best interest of the Organization.
- Gifts of time shares, cars, boats (or other vehicles).
- Gifts of real or tangible personal property with indebtedness.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, will be made by the Organization.

3. Acceptable Current Gifts

The following current gifts are acceptable under the process established by this Policy:

- a. **Cash.** Cash is acceptable in any form. Checks will be made payable to **Children Incorporated** and will be delivered to the Organization's administrative offices.
- b. **Publicly Traded Securities.** The Organization will accept publicly traded, readily marketable securities transferred to a gift clearing account maintained by the Organization. **Unless otherwise directed in writing by the Organization, all marketable securities will be sold promptly upon receipt. Should any gift of marketable securities be restricted by applicable securities law, the final determination on the acceptance of such restricted securities will be made by the Board.**

The following gifts may be acceptable to the Organization but only after due diligence and approval by the Board consistent with the process, criteria and conditions set forth in the Policy.

- a. **Closely Held Securities**
- b. **Tangible Personal Property**
- c. **Real Estate**
- d. **Remainder Interests in Property**
- e. **Oil, Gas, and Mineral Interests**
- f. **Bargain Sales**
- g. **Life Insurance**

4. Acceptable Planned Gifts

The following planned gifts are acceptable under the process established by the Policy:

- a. **Charitable Remainder Trusts.** The Organization may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Organization. The Organization will not accept appointment as Trustee of a charitable remainder trust.
- b. **Charitable Lead Trusts.** The Organization may accept a designation as income beneficiary of a charitable lead trust. The Organization will not accept an appointment as Trustee of a charitable lead trust.
- c. **Retirement Plan Beneficiary Designations.** Donors and supporters will be encouraged to name the Organization as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Organization until such time as the gift is determined to be irrevocable.
 - **Bequests.** Donors and supporters will be encouraged to make bequests to the Organization under their wills and trusts. Effective testamentary language includes the following (to be reviewed by donor's attorney):

"I hereby give, devise, and bequeath to Children Incorporated, Richmond, Virginia, _____ percent of my net residuary estate (or the sum of \$ _____, or the following described property, or the rest and residue of my estate after payment of the foregoing bequests). This is an unrestricted gift and may be used to further the objects and purpose of Children Incorporated."

NOTE: Needs, policies and specific programs of the Organization may well change over time in response to changing circumstances of children in need worldwide.

The Organization may exercise its discretion, if in the opinion of the Organization, all or part of the funds cannot be applied in strict conformance with a donor's preference. The Organization may use the funds for other appropriate purpose as nearly aligned to the original intent of the donors as good conscience and need dictate.

- d. **Life Insurance Beneficiary Designations.** Donors and supporters will be encouraged to name the Organization as beneficiary or contingent beneficiary of their life insurance policies. Such designations will not be recorded as gifts to the Organization until such time as the gift is irrevocable.

5. Miscellaneous Provisions

- a. **Appraisals and Legal Fees Related to Gifts.** Where an appraisal of value is required by these policies or desired by donor, it will be the responsibility of the donor to do so at the donor's expense. Other professional fees, such as attorney's fees, and expenses incurred by donor in connection with any gift also shall be at the donor's expense.
- b. **Fee Policy.** The Organization will assess a one-time charge of 10% of the market value of new gifts, which supports the ongoing operations and philanthropy of the Organization.
- c. **Valuation of Gifts for Development Purposes.** The Organization will record a gift received at its valuation for gift purposes on the date of gift.

Note: IRS form 8283: The IRS requires the donor to file Form 8283 for non-cash gifts in excess of \$500. The charity does not sign unless the 8283 Form unless the value of the gift exceeds \$5,000.

For gifts valued at more than \$5,000 and the donor wishes to claim a charitable income tax deduction: A current, qualified, professional independent appraisal must be obtained at the expense of the donor within 60 days of the gift. The appraiser must complete the appraiser portion of the IRS 8283 form in order for the donor to claim a charitable deduction.

These policies and guidelines have been reviewed and accepted by Board of the Organization. The Board shall review these policies and guidelines at least annually. Any deviation from these policies must be approved in writing by the Board.

Duly approved and authorized on the 14th day of November 2018, by the Board of Directors of Children Incorporated.

APPROVED BY UNANIMOUS VOTE BY THE CHILDREN INCORPORATED BOARD OF DIRECTORS, NOVEMBER 14, 2018.

Authorized signer:

Ronald H. Carter 2/12/2018
Ronald H. Carter, President and Chief Executive Officer