



AMERICA'S SECOND HARVEST OF THE BIG BEND GIFT ACCEPTANCE POLICY

Mission of Second Harvest of the Big Bend

To feed the hungry in the Big Bend through our network of partner agencies, and to educate and engage the community in the fight against hunger.

America's Second Harvest of the Big Bend or DBA Second Harvest of the Big Bend, a nonprofit organization in Tallahassee, FL, encourages the solicitation and acceptance of gifts to Second Harvest of the Big Bend (hereinafter referred to as SHBB) for purposes that will help SHBB further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to SHBB or for the benefit of any of its programs and activities related to its mission and work.

SHBB urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

Purpose

The purpose of this document is to set forth the criteria that SHBB uses to determine whether a proposed gift is acceptable and to inform prospective donors and their advisors of the types of gifts SHBB accepts.

While these guidelines establish best practices, they are designed to provide flexibility as directed by the Board of Directors. The determination of whether to accept a proposed gift is at all times at the sole discretion of the Board of Directors.

Use of Legal Counsel

SHBB seeks the advice of outside legal counsel as appropriate on matters relating to acceptance of gifts. Review by legal counsel is usually sought in connection with:

- Documents naming SHBB as Trustee
- Gifts involving contracts, such as bargain sales or other documents requiring SHBB to assume a legal obligation
- Gifts of patents and intellectual property
- Transactions with potential conflict of interest that may invoke IRS sanctions
- Other instances in which use of counsel is deemed appropriate by the SHBB's Board of Directors

Conflict of Interest

SHBB does not provide personal legal, financial or other professional advice to donors or prospective donors and prospective donors should not take any comments from SHBB or its agents as constituting personal legal, financial, or other professional advice. Donors and prospective donors are strongly urged to seek the assistance of their own professional advisors in matters relating to their gifts. SHBB endorses the Model Standards of Practice of the Charitable Gift Planner promulgated by the National Committee on Planned Giving (attached as Appendix A) and the Donor Bill of Rights promulgated by the Association of Fundraising Professionals (attached as Appendix B).

Restrictions on Gifts

A “restricted gift” is a gift in which the donor has earmarked a specific program or purpose for the gift itself. SHBB will accept restricted gifts so long as they are consistent with its mission, purpose, and priorities.

With respect to all gifts, SHBB reserves the right to decline to accept any gift which, in the board’s discretion, is inconsistent with SHBB’s mission, purpose, or priority, or creates a burden for SHBB.

Endowment Fund

SHBB has established General Endowment Fund (Fund) at the Community Foundation of North Florida and the Fund is maintained through the Community Foundation. SHBB’s intent that the corpus in Fund shall not be used for operational or capital expenses. The purpose of the Fund is to provide on-going revenue for the future of SHBB. Prior to taking any annual disbursement, the SHBB Board will determine the appropriate amount of that disbursement based on the goal of maintaining and growing the corpus. Until that time, the annual earnings on the Fund will be rolled back into the corpus.

Types of Gifts

The following gifts may be considered for acceptance by SHBB:

- Cash
- Publicly Traded Securities
- Life insurance
- Charitable remainder trusts
- Revocable trust agreements
- Charitable lead trusts
- Retirement plan beneficiary designations
- Bequests
- Other types of gifts which the board will review on a case-by-case basis

The following criteria apply to the acceptance of gifts in these categories.

Cash: Cash may be accepted in any negotiable form. Checks must be made payable to SHBB.

Publicly Traded Securities: SHBB can may accept both publicly traded securities and, at its sole discretion, choose to accept privately held securities. Closely held securities.

- a. Securities will be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities will be sold upon receipt unless otherwise directed by the Finance Committee of SHBB. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities may be made by the SHBB's Board of Directors.

Life Insurance: SHBB must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. In determining whether SHBB will accept the policy, the following criteria shall be considered:

- a. The type of policy, i.e., whole life, variable life, universal life, variable universal life, or term.
- b. Whether there premiums due to ensure the death benefit will remain in place and if so, whether the donor or SHBB is responsible for those payments.
- c. If applicable, the payment arrangement, i.e., whether payments will be made to SHBB to pay to the company or whether the donor will pay the company directly; whether the donor intends the payments be made with current cash value; whether the donor expects SHBB to make the payments if the donor is unable or unwilling to do so.
- d. The rating of the insurance company.
- e. Whether there are investment options within the policy that will impact the death benefit and if so, whether SHBB has the capacity to evaluate and execute those options.
- f. Whether SHBB has the ability to evaluate the policy annually and decide if and when to convert the policy to paid up insurance or surrender the policy for its current cash value.

None of these individual factors is dispositive, but each will be weighed with the ultimate goal of minimizing risk of loss to SHBB and accepting gifts which do not create any undue financial or other burden for SHBB.

Charitable Remainder Trusts: SHBB encourages its donors to name the organization as a remainder beneficiary of a charitable remainder trust and will work with its donors to structure such agreements. However, SHBB will not serve as trustee of a charitable remainder trust and will instead encourage the donor to use a professional fiduciary.

Revocable Trust Agreements: SHBB encourages its donors to name the organization as a beneficiary of all or a portion of a revocable trust agreement. However, SHBB will not serve as trustee of a revocable trust agreement and will instead encourage the donor to use a professional fiduciary.

Charitable Lead Trusts: SHBB may accept a designation as income beneficiary of a charitable lead trust. SHBB will not accept an appointment as Trustee of a charitable lead trust.

Retirement Plan Beneficiary Designations: Donors and supporters of SHBB will be encouraged to name SHBB as beneficiary of their retirement plans. Such designations will not be recorded as gifts to SHBB until such time as the gift is irrevocable.

Bequests: Donors and supporters of SHBB will be encouraged to make bequests to SHBB under their wills and trusts. Such bequests will not be recorded as gifts to SHBB until such time as the gift is irrevocable.

Other types of gifts which the board will review on a case-by-case basis: SHBB Board of Directors will consider other types of gifts on a case-by-case basis and will, in its full discretion, determine whether to accept or decline the gift.

Miscellaneous

It will be the responsibility of the donor to secure an appraisal (where required) and the advice of independent legal, financial, or other professional advisers as needed for all gifts made to SHBB.

*Adopted on November 19, 2020 by –
Board of Directors Board of Second Harvest of the Big Bend*

APPENDIX A

Model Standards of Practice for the Charitable Gift Planner

A code of ethical practice for all professionals who work together to structure gifts that balance the interests of the donor and the purposes of the charitable institution.

I. PREAMBLE

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

II. PRIMACY OF PHILANTHROPIC MOTIVATION

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

III. EXPLANATION OF TAX IMPLICATIONS

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

IV. FULL DISCLOSURE

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

V. COMPENSATION

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

VI. COMPETENCE AND PROFESSIONALISM

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VII. CONSULTATION WITH INDEPENDENT ADVISORS

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

VIII. CONSULTATION WITH CHARITIES

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the done organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

IX. DESCRIPTION AND REPRESENTATION OF GIFT

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

X. FULL COMPLIANCE

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

XI. PUBLIC TRUST

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.

APPENDIX B

The Donor Bill of Rights was created by the American Association of Fund Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), the Association of Fundraising Professionals (AFP), and the Council for Advancement and Support of Education (CASE). It has been endorsed by numerous organizations.

The Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.