



## GIFT ACCEPTANCE POLICY – Adopted 03/28/2024

Dismas of Vermont solicits and accepts gifts that are consistent with its mission and that support its core programs, as well as special projects.

Donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities. In the course of its regular fundraising activities, Dismas of Vermont will accept donations of money, real property, personal property, stock, and in-kind services, per this policy as outlined.

The following policies and guidelines govern the acceptance of gifts made to Dismas of Vermont for the benefit of any of its operations, programs, or services.

Dismas of Vermont 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.

When considering whether to solicit or accept gifts, Dismas of Vermont will consider the following questions:

- Does the gift compromise Dismas of Vermont's core values?
- Does the gift contribute to the organization's mission?
- Is there compatibility between the intent of the donor and Dismas of Vermont's use of the gift?
- Will accepting the gift damage Dismas of Vermont's reputation? Does Dismas of Vermont want to be associated with the donor and/or the source of the funds?
- Is Dismas of Vermont the primary benefactor of the gift?
- Is acceptance of the gift consistent with prior practice?
- Can Dismas of Vermont use the gift without incurring substantial expense or difficulty?
- Will this gift discourage future gifts?
- Will the gift violate Dismas of Vermont's corporate charter or jeopardize its 501c3 status?

### Gifts Generally Accepted Without Review

- Cash in any form, including by check, money order, credit card, or online.
- Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by the Finance Committee of the Board of Directors. In some cases, marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances, the decision whether to accept the restricted securities shall be made by the Finance Committee.
- Bequests and beneficiary designations under revocable trusts, commercial annuities, and retirement plans.

- Designation as a remainder beneficiary of charitable remainder trusts.
- Designation as an income beneficiary of charitable lead trusts.

### Gifts Accepted Subject to Prior Review

*Tangible Personal Property:* Dismas of Vermont shall review and determine whether to accept any gifts of tangible personal property. In addition to the other considerations outlined in this policy, the property must be either marketable or useful. Donated property will be sold promptly unless it is useful to Dismas of Vermont as determined by the Executive Director. Prior to acceptance:

- Are there any unacceptable restrictions imposed on the property?
- Are there any carrying costs for the property for which the organization may be responsible?
- Is the title/provenance of the property clear?

*Restricted Gifts:* Decisions on the restrictive nature of a gift and its acceptance or refusal will be made by the Executive Director in consultation with the Finance Committee as appropriate. For restricted gifts over \$100,000, approval to accept must be given by the full Board of Directors.

*Life Insurance:* Dismas of Vermont will accept gifts of life insurance where Dismas is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing to the policy.

*Real Estate:* Dismas of Vermont is extremely grateful for donors who are exploring or intend to leave a gift of real estate. Because real estate can expose Dismas of Vermont to potential liability, all gifts of real estate are subject to a preliminary review by the Executive Committee and approval via vote by the full Board of Directors.

Criteria for acceptance of gifts of real estate, in addition to the other considerations in this policy:

- Is the property useful for the organization's purposes?
- Is the property the right fit?
- Is the property readily marketable?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrances, historical designations, or other limitations associated with the property?
- Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
- Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

Donated real estate will be sold promptly unless it is useful to Dismas of Vermont as determined by the Board of Directors in partnership with the Executive Director. If the Executive Committee feels there is the potential to maintain ownership of the property, prior to presentation to the Board of Directors for a vote, the Executive Director must conduct a visual inspection of the property.

Prior to acceptance of any gift of real estate, Dismas of Vermont shall require an Environmental Site Assessment (ESA) at the donor's expense by a qualified environmental firm that involves both a site visit and a records review. Should concerns be found, Dismas of Vermont can also require an environmental audit by a qualified environmental firm at the donor's expense. Dismas of Vermont has the right to not accept the gift based on environmental concerns.

Depending on the value and desirability of the gift, the donor's connection with Dismas of Vermont, and the donor's past gift record, the donor may be asked to pay for all or a portion of the following:

- Costs of environmental remediation
- Maintenance costs
- Real estate taxes
- Insurance
- Title insurance premiums
- Survey costs
- Real estate broker's commission and other costs of sale
- Appraisal costs
- Legal fees

#### Use of Legal Counsel

Dismas of Vermont will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Gifts of securities that are subject to restrictions or buy-sell agreements.
- Documents naming Dismas of Vermont as trustee or requiring Dismas of Vermont to act in any fiduciary capacity.
- Gifts requiring Dismas of Vermont to assume financial or other obligations.
- Transactions with potential conflicts of interest.
- Gifts of property which may be subject to environmental or other regulatory restrictions.

#### Naming Rights

*Capital Naming Rights:* The naming of facilities (whether for a new or renovated space or a fund) will require the approval of the Board of Directors. Board approval of naming opportunities for facilities is contingent upon payment of at least 50 percent of the donor's pledge and a signed Naming Rights Agreement.

As a general rule, at least 50% of the cost of the intended named project must be funded by the donor to be considered for naming. The Executive Director or their appointee will contact donors whose gifts qualify for naming to determine their interest in the opportunity. If interested, Dismas of Vermont and the donor will enter into a Naming Rights Agreement that outlines where and how the donor's name will be displayed.

*Fund Naming Rights:* The naming of funds will require the approval of the Board of Directors and is an opportunity available to donors who make an endowed gift of at least \$50,000. Board

approval of fund naming opportunities is contingent upon payment of at least \$50,000 of the donor's pledge and a signed Naming Rights Agreement.

The Executive Director or their appointee will contact donors whose gifts qualify for fund naming to determine their interest in the opportunity. If interested, Dismas of Vermont and the donor will enter into a Naming Rights Agreement that outlines how the fund will be named and if there are any restrictions on the fund.

*Exceptions:* The Board of Directors reserves the right to adopt naming conventions that honor important contributors to the Dismas of Vermont mission.

*Promotion:* The Naming Rights Agreement will outline the timeline for selecting and announcing a name, including if a name may go into effect at the time of a pledge or only after the minimums as outlined above are met. All named capital and funds may be promoted by Dismas of Vermont to encourage further giving and in support of the Dismas mission.

*Duration of the Naming Rights:* Naming rights of endowed funds will exist in perpetuity except in cases where the Morality Clause is broken. Naming rights of capital will exist for a term of at least 20 years. At the end of the naming term, the donor may fund any major repairs to maintain use by Dismas of Vermont and thus extend the duration of the naming rights; otherwise, the naming rights will be forfeited.

*Morality Clause:* If at any time the donor or their name may compromise the public trust or the reputation of Dismas of Vermont, including acts of moral turpitude, Dismas of Vermont – with the approval of the Board of Directors – has the right to remove the name or return the gift. This clause must be outlined in the Naming Rights Agreement.

*Changes & Termination to Terms:* The Naming Rights Agreement will put the responsibility for any costs incurred because of a donor's request for changes to naming conventions on the donor (new signage, print materials, etc.). Should Dismas of Vermont vacate the property before the duration of naming rights has concluded, Dismas of Vermont will work with the donor to transfer the naming rights to another location for the remainder of its term.

In the event that a pledge is not fulfilled on the agreed upon timeline as outlined in the Naming Rights Agreement, naming rights can be revoked by the Board of Directors.