

GIFT ACCEPTANCE POLICY

Organizations need to have some kind of policy that describes the type of gifts they will accept. A well-thought-out gift acceptance policy offers protection for your organization and its assets, employees and board. Not-for-profits should not accept everything that is offered. An organization does not want to be on the receiving end of a parcel of real estate that is named to the federal Environmental Protection Agency Superfund list after title has legally transferred. A clearly written policy is the best protection.

A basic gift acceptance policy should accomplish three things:

1. **Maintain discipline in gift acceptance and administration.** Discipline prevents the acceptance of gifts that will cost the non-for-profit organization time, money and, possibly, its reputation by reminding the organization when to just say “no.”
2. **Provide guidance to donors and their professional advisors.** A donor’s professional advisors may not be familiar with certain IRS rules. Raising questions in the gift acceptance process may save a donor from disappointment and the organization from a disappointed donor when the time comes to file an income tax return.
3. **Provide a process that allows the staff and Board to work through the practical issues, such as costs associated with certain gifts.** This could be a great educational tool and far more valuable than a seminar or article on the subject.

Organizations should develop a gift acceptance policy and have it approved and accepted by the Board of Directors. After adoption, this policy should be reviewed on an annual basis. Sample policies can be found at:

<http://foundationcenter.org/getstarted/faqs/html/giftaccept.html>.