Building Sustainability through Board-Approved Policies

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Today we’ll discuss

- Why gift acceptance polices are important
- Specific policies that will help build your endowment fund and promote a culture of sustainability
Remember the Drill

Annual Appeal

Endowment

ASSET CLASSES

- EQUITIES
- FIXED INCOME
- CASH EQUIVALENTS
- ALTERNATIVE INVESTMENTS
Gift Acceptance Policies

- Provide Discipline and Efficiency
- Educate and Engage Your Board
- Preserve Donor Relationships
Keep In Mind

Good policies will...

• Protect your organization

• Enable you to respond efficiently

• Create a framework to assess which gifts will benefit your organization

• Enhance donor relationships
Group Discussion
Types of Gifts

- Cash
- Securities – Publicly traded stock or mutual funds
- Closely held business interests
- Personal property
- Real property
- Gifts in wills, trusts, retirement funds and life insurance policies
- Planned gifts like charitable lead and remainder trusts and annuities (not very common)
Components of Gift Acceptance Policies

- The organization’s mission
- The purpose of the policy
- Types of gifts that will be accepted, may be accepted upon review, and will not be accepted
- Required due diligence and guidance on when to involve committee, board and/or legal counsel
- Guidance on restricted gifts and use of funds
- Standards of conduct
- Gift acknowledgement and reporting requirements
- Breakdown of relevant fees
- Explanation of policy review
What tone do you want your policies to project?

Don't you type at me in that tone of voice
Efficiency
Four Types of Funds

- Operating Fund
- Reserve Fund
- Long-Term Designated Fund
- Endowment Fund
A Tool to Promote Long-term Sustainability
Promote the Growth of Your Endowment

Policies for unrestricted bequests should:

• Be specific
• Acknowledge hierarchy of need
• Honor donor intent
A Transformative Gift

- Fund opened in 2011: $498,433
- Initial Distribution: $25,000
- Launched a planned giving program
- 2017: $1.7M life insurance policy realized
- Distribution in 2018: $91,000
Thank you!

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