

## **Gift Acceptance Policy Energy Outreach Colorado**

**Effective Date: August 15<sup>th</sup>, 2019**

**Purpose:** Energy Outreach Colorado (EOC) is a non-profit 501(c)(3) organization and under the laws of the State of Colorado encourages the solicitation and acceptance of current and deferred gifts for purposes that will help EOC continue and further its mission. This policy is to protect the interests of EOC and the persons and other entities who support its work. The EOC staff has full authority to carry out activities related to fundraising for EOC as long as any expenses are within the current fiscal year's budgetary constraints as approved by the board as a whole and advance the mission of EOC. If there are activities that do not meet these criteria, then they need the request will need to go to the full Board of Directors for approval.

### **Ethical Principles:**

EOC will keep the donor's affairs and personal information confidential. EOC will not sell, rent or exchange names of donors to any company, organization or person.

In all matters involving donors or prospective donors, the interests of a donor's personal financial position take priority over the contribution to EOC.

The task of all fundraising personnel shall be to inform, serve, guide or otherwise assist the donor in fulfilling his or her philanthropic wishes, but never, under any circumstance, to pressure or unduly influence. No staff employed by EOC shall receive commissions that could give such staff a direct beneficial interest in any agreement.

EOC encourages all prospective and current 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.

### **Gift Acceptance Principles:**

Energy Outreach Colorado solicits and accepts gifts that are consistent with its mission and that support its core programs as well as special projects.

Donations will generally be accepted from individuals, coalitions, corporations, foundations, government agencies or other entities without limitation.

In the course of its regular fundraising activities, Energy Outreach Colorado will accept donations of money, real property, personal property, stock, life insurance, IRA and gifts of securities. Gifts of stock or securities valued over \$500,000 are subject to review by the Finance Committee of the Board of Directors for approval.

Whereas there is the potential for controversy if certain gifts are accepted, the organization has adopted the following Gift Acceptance Policy:

*Values.* Whether the acceptance of the gift compromises any of the core values of Energy Outreach Colorado.

*Compatibility.* Whether there is compatibility between the intent of the donor and EOC's use of the gift.

*Relationships.* Whether acceptance of the gift stands to damage the reputation of EOC.

*Primary Benefit.* Whether the primary benefit is to EOC, versus the donor.

*Form of the Gift.* Whether the gift is offered in a form that EOC can use without incurring substantial expense or difficulty.

All decisions to solicit and/or accept potentially controversial gifts will be made by the Executive Team, and potentially, the Board of Director's Fundraising Committee.

EOC will not accept gifts that would result in EOC losing its status as a 501(c)(3) organization

**Procedure:**

EOC encourages gifts for programs, current operations, long-term investments and other purposes identified by EOC staff and EOC's Board of Directors.

**Gifts Generally Accepted Without Review:**

Cash and Cash Equivalents

Gifts in the form of cash and checks shall be accepted regardless of amount. Acceptable forms include by check, cash, money order, credit card or online. All checks must be made payable to Energy Outreach Colorado and shall in no event be made payable to an employee, agent,

or volunteer for the credit of EOC except for the explicit distribution of those funds back to EOC.

### Securities

Marketable securities which are traded on the NASDAQ, New York, or American Stock Exchange over the counter market, shall be accepted by EOC. Securities may be transferred electronically to EOC by contacting [Innovest Portfolio Solutions](#). It is the expectation that such securities will be sold within 2 business day by EOC, *however it is at the organization's discretion*. In no event shall an employee working on behalf of EOC commit to a donor that a particular security, including restricted stocks, will be held by EOC unless authorized to do so by the Finance Committee of the Board of Directors.

### Bequests

Gifts through wills (bequests) shall be actively encouraged by EOC. In the event of an inquiry by a prospective testator, representations as to the future acceptability of property to be left to EOC in a will or other deferred gift shall only be made in accordance with the terms and provisions of this policy.

### Personal Property

Gift of personal property, such as vehicles, artwork or jewelry that is gifted to EOC. In the case of a donated vehicle, EOC works with a third party to sell the vehicle at the highest value possible through local auctions. The donor shall receive a tax-deduction for the value of the vehicle after it is sold and the payment has been received by EOC.

## **Gifts Generally Accepted - Subject to Review:**

### Charitable Remainder Unitrusts, Annuity Trusts and Charitable Lead Trusts

EOC may accept a designation as a beneficiary of a trust agreement. Trust donors must select a trustee other than EOC to oversee their trust. This policy may only be waived by a written resolution of the Board of Directors.

The donor shall be required to have trustee fees paid from the trust. EOC reserves the right to refuse any specific charitable trust.

### Charitable Gift Annuities

EOC will only issue gift annuity agreements in the United States subject to being compliant with any applicable state annuity regulations. For accounting purposes, EOC will count the gift portion only as revenue.

### Life Estate contracts (Including Revocable and Irrevocable Gifts)

EOC may be willing to enter into a retained life estate agreement for a personal residence, farm or vacation home.

As a general rule, the life estate agreement will require the donor to retain the obligation to care for the property, pay taxes, insurance and maintenance costs and other obligations which pertain to the interest the donor has retained. Gifts of this nature may be accepted with the approval of the Finance Committee of the Board of Directors.

### Closely Held Securities

This may include not only debt and equity positions in non-publicly traded companies but also interests in LLP's and LLC's or other ownership forms, may only be accepted with the approval of the Finance Committee of the Board of Directors. Such securities may subsequently be disposed of only with the approval of the Finance Committee of the Board of Directors. These securities will be valued once a year by the organization's broker or other third party.

### Real Property

No gift of real estate property shall be accepted without the prior approval of the Board of Directors of EOC. The following conditions will be considered when reviewing gifts of real estate:

*Market Value and Marketability.* EOC Board of Directors must receive a reasonably current appraisal of the fair market value of the property and interest in the property EOC would receive if the proposed gift is approved. The donor shall be responsible for any costs associated with providing this. It is EOC's policy to dispose of all gifts of real estate (other than property which the EOC wishes to retain) as expeditiously as possible. Thus, regardless of the value placed on the property by the donor's appraisal, EOC will attempt to sell at a reasonable price in light of current market conditions.

*Potential Environmental Risks.* All proposed gifts of real property including gifts from estates, must be accompanied by a Phase I environmental audit performed at the donor's expense. The only permitted exception to this

requirement is for residential property, which has been used solely for residential purposes for at least a thirty-year period of time. In cases where this exception applies and no environmental audit is undertaken, the donor/executor must have an outside party complete an Environmental Checklist prepared by EOC staff and may be required to execute an environmental indemnity agreement. Even in cases where a Phase I audit is submitted, Board of Directors may require that the donor sign an environmental indemnity agreement.

*Limitations and Encumbrances.* The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic liens and other limitations of record must be disclosed. No gift of real estate will be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged, except in very unusual cases where the fair market value of EOC's interest in the property net of all encumbrances is substantial.

*Carrying Costs.* The existence and amount of any carrying costs, including but not limited to property owners' association dues, country club membership dues and transfer charges, taxes and insurance must be disclosed.

*Title Information.* A copy of any title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy, and/or an attorney's title opinion, must be furnished.

*Deed of Gift.* If a proposed gift of real property is approved by the Board of Directors, the gift will be completed by the execution and delivery of a deed of gift or other appropriate conveyance. The costs associated with the conveyance and delivery of the gift, including but not limited to recording fees and, if deemed necessary by the Board of Directors, a current survey, title insurance and/or an attorney's title opinion, will be either paid by the donor or from the proceeds of the sale.

*Receipt of The Gift Acknowledgement.* EOC will acknowledge receipt of the gift once the property has been properly recorded in the local Recorder of Deeds office. EOC will not appraise or assign a value to the gift property. It is the donor's responsibility to establish a value for the gift and to provide, at donor's expense, a qualified appraisal required by the IRS.

#### Gifts of Life Insurance and Retirement Plans

EOC will encourage donors to bequeath all or a portion of the benefits of life insurance policies that they have purchased. No insurance products may be endorsed for use in funding gifts to EOC. EOC will not agree to

accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made only after reviewing relevant state laws to assure that EOC has an insurable interest under applicable state law. EOC will count the guaranteed cash surrender value of the policy (plus notes) upon date of receipt. EOC is not obligated to continue making premium payments on any life insurance policy transferred to it.

### **Acceptable restrictions to gifts and or bequests**

EOC can accept gifts that carry special restriction for programs and/or investments to fund the administrative and operating expenses of the organization. Since funding priorities can change over the years, EOC suggests that restricted bequests include a clause that would allow the organization to reallocate resources if the gift is no longer needed as originally intended.

Any gift carrying special restriction to specific programs, facilities or purposes must be approved by the Finance Committee of the Board of Directors prior to their addition to EOC's investments. This will allow the Finance Committee of the Board of Directors the opportunity to assure that restricted gifts do not conflict with the mission and programs of the organization.

### **Exclusions**

EOC reserves the right to decline any gift.

The following gift stipulations cannot be accepted:

In the case where someone requests to support a household that does not qualify for assistance.

In the case where a conflict of interest is presented.

- (a) No Interested Person shall participate in the selection, award or administration of a contract to be paid with federal funds if a real or apparent conflict of interest is present.
- (b) No Interested Person shall receive a loan from the Organization.
- (c) No Interested Person shall receive Compensation for exercising their duties as an officer, director, or Grants Advisory Committee member except for the reimbursement of expenses.
- (d) No Interested Person shall utilize vendors for their personal benefit or for below market rates.

Gifts that request unlawful discrimination against applicants or employees on the basis of age 40 and over, race, sex, color, religion, national origin, disability, ancestry, creed, sexual orientation, gender identity, military status, genetic information, or any other status protected by applicable state or local law.

### **Promotion and Publicity**

If a donor wishes to remain anonymous in the promotion and publicity of any gift(s) to EOC, it is required that a written request be sent to the Development Department prior to, or on the date, that the gift is received by EOC.

### **Professional Relationships**

It is important to work with the donor's legal and financial advisors and to help insure that disclosure about the gift, and, in the case of a planned gift, its administration, is made to the donor prior to closing the gift. EOC shall, in each instance, encourage all donors of planned gifts requiring the drafting of documents to seek and consult with their own professional advisors.