



## Gift Acceptance Policy

### 1. Policy and Purposes

This Policy represents the policy of Daystar governing the solicitation and acceptance of gifts by Daystar. The Board of Directors of Daystar and its Executive Director and Director of Advancement solicit current and deferred gifts from individuals, corporations, foundations and others for **purposes that will further and fulfill Daystar's mission**. Purposes of this Policy include: (a) guidance for the staff, board of directors, and other constituencies with respect to their responsibilities concerning gifts to Daystar; and (b) guidance to prospective donors and their professional advisors when making gifts to Daystar. The provisions of this Policy shall apply to all gifts received by Daystar. Notwithstanding the foregoing, Daystar reserves the right to revise or revoke this Policy at any time, and to make exceptions to the Policy.

#### **About Daystar**

Daystar for Medically Fragile Children is New York State's first and only medical daycare and respite program designed specifically to meet the community's growing demand for services for medically fragile infants and young children. Founded by the Sisters of Saint Joseph in 1988 as a foster care provider for medically fragile infants, Daystar has evolved to become an invaluable community resource, providing nursing supervised care for up to 30 infants and children braving multiple serious, and often life-threatening medical and developmental complexities. Daystar's innovative model has earned recognition as a *Best Practices Child Care Program and Environment* from New York State's Office of Children and Families (OCFS).

Daystar's model incorporates expert nursing-supervised respite care, adaptive educational support programs, and parent support and family engagement services to medically fragile children up to age five.

### 2. Use of Legal Counsel

**A. Daystar.** Daystar shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel is recommended for:

- (1) Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- (2) Documents naming Daystar as trustee;
- (3) Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring Daystar to assume an obligation;
- (4) Transactions with a potential conflict of interest;
- (5) Gifts of real estate;
- (6) Pledge agreements;

(7) Any gift with restrictions.

**B. Donor.** For non-standard gifts, in order to avoid potential any conflicts or potential conflicts of interest, Daystar encourages prospective donors to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

### **3. General Policy**

Daystar shall not accept gifts that:

- (1) Violate the terms of Daystar's organizational documents;
- (2) Would jeopardize Daystar's status as an exempt organization under federal or state law;
- (3) Are too difficult or expensive to administer;
- (4) Are for purposes that do not further Daystar's objectives; or
- (5) Could damage the reputation of Daystar.

Subject to Section 4 below, all final decisions on the acceptance or refusal of a gift, shall be made by the Director of Advancement and/or Executive Director.

### **4. Policy Regarding Specific Types of Gifts**

#### **A. Gifts Generally Accepted Without Review**

(1) **Unrestricted Gifts of Cash** Daystar will accept unrestricted gifts of cash without prior review by the Director of Advancement or Executive Director, provided that, for donations of \$1,000 or more, the identity of the donor has been vetted with respect to any reputational or policy issues.

Unrestricted gifts of cash are acceptable in any form. Checks shall be made payable to Daystar.

(2) **In-kind Gifts** in-kind of items currently listed on Daystar's official wish list, as published on its website, will generally be accepted without review. If, after acceptance it becomes evident that Daystar cannot use donated items, Daystar will pass the items on to another non-profit organization. A good resource for charity wish lists is the Rochester Community Wishbook <http://www.communitywishbook.com/>.

**B. Gifts Subject to Director of Advancement or Executive Director Review Prior to Acceptance.** All gifts, other than unrestricted gifts of cash and items currently on the Daystar wish list, must be reviewed by the Director of Advancement or Executive Director prior to acceptance, unless the Director of Advancement or Executive Director authorizes certain gifts or categories of gifts to be accepted without its review. The following guidelines also apply:

(1) **Tangible Personal Property:** The Director of Advancement or Executive Director shall review and decide whether to accept gifts of tangible personal property by considering the following factors:

- i. Whether the property furthers the mission of Daystar;
- ii. The marketability of the property;
- iii. The restrictions on the use, display, or sale of the property; and
- iv. Carrying costs and possible liability for the property.

(2) **Marketable Securities:**

i. Unrestricted marketable securities may be transferred to an account maintained by Daystar at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. All marketable securities shall normally be sold as soon as practical following receipt, unless otherwise directed by Daystar's Director of Advancement or Executive Director.

ii. If the marketable securities are restricted by applicable securities laws, the Executive Director shall make the final determination on the acceptance of the restricted securities.

**(3) Closely-Held Securities:** Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, can be accepted subject to the approval of the Executive Director of Daystar. The Executive Director shall review and decide whether to accept closely held securities based on the following factors:

i. Restrictions on the security that would prevent Daystar from ultimately converting the securities to cash;

ii. The marketability of the securities; and

iii. Any undesirable consequences for Daystar from accepting the securities.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Executive Director of Daystar with advice of legal counsel when deemed necessary. Non-marketable securities shall be sold as quickly as possible.

**(4) Bequests:** Donors may make bequests to Daystar under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with generally accepted accounting principles.

**(5) Charitable Remainder Trusts:** Daystar may accept designations as remainder beneficiary of a charitable remainder trust. Daystar shall not accept appointment as trustee of a charitable remainder trust.

**(6) Charitable Lead Trusts:** Daystar may accept designations as income beneficiary of a charitable lead trust. Daystar shall not accept an appointment as trustee of a charitable lead trust.

**(7) Retirement Plan Beneficiary Designations:** Daystar may accept designations as beneficiary of donors' retirement plans. Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with generally accepted accounting principles.

**(8) Life Insurance:** Daystar may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once Daystar is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with generally accepted accounting principles. If the donor contributes premium payments, Daystar will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, Daystar may:

i. Continue to pay the premiums;

ii. Convert the policy to paid up insurance, or

iii. Surrender the policy for its current cash value.

Donors may name Daystar as beneficiary or contingent beneficiary of their life insurance policies. Designations will not be recorded as gifts until the gift is irrevocable. Where the gift is irrevocable, the gift shall be recorded in accordance with generally accepted accounting principles.

(9) **Charitable Gift Annuities:** Daystar may not offer charitable gift annuities.

(10) **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest.

*Environmental Review.* Prior to acceptance of real estate, Daystar shall require an initial environmental review of the property to ensure that the property has no environmental problem. If the initial inspection reveals a potential problem, Daystar shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor.

*Title Binder.* A title binder shall be obtained by Daystar prior to the acceptance of the real property gift when appropriate. The cost of this title binder shall be an expense of the donor.

*Factors for Acceptance.* The Executive Director and legal counsel shall review and decide whether to accept real property based on the following factors:

- i. Whether the property is useful for the purposes of Daystar;
- ii. The marketability of the property;
- iii. Any encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property;
- iv. Any carrying costs associated with the property, including insurance, property taxes, mortgages, notes or other costs;
- v. Any concerns which the environmental audit revealed.

(11) **Remainder Interests in Property:** Daystar will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of this Paragraph 4. The donor or other occupants may continue to occupy the real property for the duration of the stated life.

At the death of the life tenant(s), Daystar may use the property or reduce it to cash. Expenses for maintenance, real estate taxes, and any property indebtedness shall be paid by the donor or primary beneficiary.

(13) **Restricted Gifts:** A gift with restrictions will be accepted only if and when the restrictions are approved by the Director of Advancement and/or Executive Director.

(14) **Named Funds:** A donor, or group of donors, may contribute and name a fund and restrict the use of the income or principal of the fund. Named funds require a minimum contribution of \$25,000 and are subject to Director of Advancement and/ or Executive Director's approval like any other restricted gift.

## **5. Additional Provisions**

**A. Gift Agreements.** Where appropriate, Daystar shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition.

**B. Pledge Agreements.** Acceptance by Daystar of pledges by donors of future support of Daystar (including by way of matching gift commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, which may include provisions regarding donor recognition.

**C. Fees.** Daystar will not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by donor for completing the gift; (2) appraisal fees; (3) environmental audits and title binders (in the case of real property); and (4) all other third-party fees associated with the transfer of the gift to Daystar.

**D. Valuation of Gifts.** Daystar shall record gifts received at their valuation on the date of gift, except that, when a gift is irrevocable, but is not due until a future date, the gift may be recorded at the time the gift becomes irrevocable in accordance with generally accepted accounting principles.

**E. IRS Filings upon Sale of Gifts.** To the extent applicable, the Director of Advancement shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by Daystar. "Charitable deduction property" means any donated property (other than money and publicly traded securities) if the value claimed by the donor exceeds \$5,000 per item or group of similar items donated by the donor to one or more charitable organizations (e.g., the property listed in Section B on Form 8283). Daystar shall file this form within 125 days of the date of sale or disposition of the asset.

**F. Written Acknowledgement.** The Director of Advancement shall provide written acknowledgement of all gifts made to Daystar and comply with the current IRS requirements in acknowledgement of the gifts.

**G. Changes to or Deviations from the Policy.** This Policy has been reviewed and accepted by Daystar's Executive Director, which has the sole power to change this Policy. In addition, the Executive Director must approve in writing any deviations from this Policy.