



## Fundraising and Gift Acceptance Policy

Emergency Family Assistance Association (herein referred to as “EFAA”) is a nonprofit entity organized under the laws of the State of Colorado and tax-exempt pursuant to IRC §501(c)(3). EFAA encourages the solicitation and acceptance of gifts to the organization that will help EFAA fulfill its mission. This policy shall apply to all gifts received by EFAA for any purpose.

### I) Purpose of Gift Policies and Guidelines

The purpose of the Gift Acceptance Policy is to define the practices and policies governing the acceptance of gifts and to provide guidance to staff, board members, and other volunteers in obtaining gifts from individuals, businesses, corporations, foundations, faith congregations, and other sources for annual, capital, and endowment funds.

EFAA will accept only those gifts that are consistent with the mission, vision, and values of the organization and which are deemed consistent with public laws, regulations, and public policy of the State of Colorado and the federal government.

### II) Use of Legal and/or Financial Counsel

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

- A. Transfers of stock or other equity securities of closely-held entities that are subject to transfer restrictions, voting covenants, buy-sell agreements or other limitations;
- B. Gifts governed by contracts or other legal documents, such as gifts of real estate, bargain sales, partnership agreements, or other documents requiring EFAA to assume an obligation;
- C. Transactions with a potential conflict of interest. This may include the use of Board members as sales agents in transactions, etc.;
- D. Other circumstances in which the staff, Development & Communications Committee, or Board of Directors believe that use of counsel is appropriate.

All prospective donors are recommended to consult their own legal or financial counsel in matters relating to their gifts and the resulting tax and estate planning implications.

### III) Donor Relations

- A. **Guided by best practice:** All promotions and solicitations conducted by EFAA will be conducted in a manner that is both ethical and professional following the Association of Fundraising Professionals Code of Ethical Principles and Standards of Professional Practice (See Attachment A). EFAA is truthful in its solicitation materials and discloses important and relevant information to potential donors. EFAA endorses the Donor Bill of Rights created by the Association of Fundraising Professionals and its affiliates (See Attachment B).
- B. **General gift acknowledgement:** EFAA will promptly acknowledge all gifts, including restrictions, and comply with current IRS requirements in acknowledgement of gifts. In limited and special circumstances, EFAA may offer naming rights as a means of donor recognition.
- C. **Anonymity:** Requests for donor anonymity, by name, amount, or condition of any gift, will be honored, and donors who wish to remain anonymous may do so with every confidence.
- D. **Confidentiality:** Except as required by law, all information obtained from or about donors or prospects shall be held with the same degree of confidence by EFAA as EFAA uses for its own information. Use of such information shall be restricted to the organization's purposes only. All electronic personal records are maintained in a secure database. Names and personal information of donors will not be provided by EFAA to other organizations, nor will any lists be sold or shared with other organizations.

### IV) Gifts Generally Accepted Without Review

- A. **Cash:** EFAA will accept unrestricted gifts of cash, provided that, for donations of \$150,000 or more, the identity of the donor has been vetted concerning any reputational or policy issues. All unrestricted gifts will be available for use as determined appropriate by EFAA. Unrestricted gifts of cash are acceptable in any form. Checks shall be made payable to EFAA.

Gifts made through donor advised funds (often referred to as grants) cannot be used, in whole or in part, to purchase items or services, including event tickets, silent or live auction items, or event sponsorship if the donor or their affiliates plan to attend the event through said donation.

- B. **Publicly Traded Securities:** Unrestricted marketable securities may be transferred to an account maintained by EFAA at one or more brokerage firms. All marketable securities shall normally be sold as soon as practical following receipt. Following IRS regulations, the donor acknowledgement letter will describe the number and type of securities, but not state a value.
- C. **Cryptocurrency:** EFAA accepts gifts of cryptocurrency through our partner, The Community Foundation Boulder County.
- D. **Planned Gifts:** EFAA can accept deferred gifts through several channels. Donors are encouraged to contact EFAA to discuss any proposed planned gifts that include restrictions affecting the use of the gift once received by EFAA. Donors will be recognized as members of the EFAA Next Legacy Society at the time EFAA is notified of the planned gift. A deferred or planned gift will not be recorded until the gift is made irrevocable. When the gift is irrevocable, but is not due until a

future date, the gift will be recorded following GAAP. Per the EFAA Endowment Fund Policy, all otherwise unrestricted planned gifts are to be designated to the EFAA Centennial Endowment Fund held at The Community Foundation Boulder County.

Generally accepted planned giving vehicles:

- i. Bequests:* Donors may make bequests to EFAA via their wills, trusts, life insurance policies, designated beneficiary agreements or forms, or retirement plan assets. Restricted bequests will be accepted only on the condition that, should the purpose for which the funds provided cease to exist, the Board of Directors shall allocate the income from those funds to purposes as near as possible to the original intent of the donor, as determined at the sole discretion of EFAA. Such provisions should be provided in wills and other gifting devises insofar as possible. EFAA reserves the right, in its sole discretion, to disclaim any restricted bequests whose restrictions do not align with the organization's mission, values, capabilities, or purpose.
  - ii. Retirement Plan Beneficiary Designation:* EFAA may accept designations as a beneficiary of donors' retirement plans.
  - iii. Life Insurance:* EFAA may accept designations as a beneficiary or contingent beneficiary and owner of a life insurance policy.
  - iv. Charitable Remainder Trusts (CRT):* EFAA may accept designation as remainder beneficiary of a CRT. EFAA shall not accept appointment as trustee of a CRT.
  - v. Charitable Lead Trust:* EFAA may accept designations as income beneficiaries of a charitable lead trust. EFAA shall not accept appointment as trustee of a charitable lead trust.
- E. **In-kind Gifts:** EFAA may accept gifts of goods and services that are consistent with the mission, purposes, and priorities of the organization. EFAA reserves the right to determine whether or not to accept an in-kind gift and must consider, among other criteria, whether the terms, conditions, or purpose of a gift are consistent with state or federal law. If requested, EFAA will provide the donor with a gift acknowledgment letter that recognizes the tangible good donated; the donor is responsible for providing proof of the fair market value of their donation for tax purposes. Other than gifts made to EFAA's food bank and housing program, tangible personal property is generally not accepted unless there is reason to believe the property can be quickly converted to cash. For non-cash gifts with a fair market value of \$5,000 or more, the donor must provide a qualified appraisal of the gift and IRS Form 8283 to EFAA. Personal property generally will be sold at the highest price possible as soon as practical after conveyance, unless the property is to be used in connection with EFAA's exempt purpose. EFAA discourages gifts that cannot readily be sold or which require unusual expenses before sale. If a lengthy selling period is anticipated, EFAA may refuse the gift or request that the donor cover the expenses with a cash gift.
- F. **Corporate Support/Sponsorships:** EFAA may accept gifts from corporate donors, including event sponsorships. EFAA reserves the right to decline partnerships that may not, in EFAA's sole discretion, positively serve the mission, purpose, and priorities of the organization.

- G. **Grant Support:** EFAA pursues and accepts only grant funding that is, in EFAA's sole discretion, consistent with the mission, purposes, and priorities of the organization and for which proper resources are available for implementation. EFAA complies with all grant recognition, reporting, and other requirements dictated by grant agreements.
- H. **Endowment Gifts:** Endowment gifts contribute to the long-term financial health of EFAA. Gifts are held and managed subject to the EFAA Endowment Fund Policy (attached herein). Endowment gifts will be directed to the EFAA Centennial Endowment Fund, EFAA's primary funded endowment, unless the donor directs their endowment gift elsewhere.
- I. **Pledges/Promises/Multi-Year Gifts:** These are signed commitments reflecting a promise to give a specific dollar amount according to a fixed schedule. EFAA generally discourages pledges beyond 3 years. All pledges are recorded in EFAA's donor database. EFAA regularly provides reminders and statements to donors with outstanding pledge balances.

#### V) **Gifts Requiring Review**

- A. **Restricted Gifts:** EFAA will accept restricted gifts over \$25,000 at the discretion of the Executive Director, provided that such gifts are consistent with its stated mission, purposes and priorities, in EFAA's sole discretion. A restricted gift is defined as a contribution that comes with specific conditions imposed by the donor on how or when the money can be spent (i.e. limited purpose or timing). EFAA will restrict a gift towards the broadest program area related to the donor's interest. EFAA reserves the right to not accept any gifts that it believes are too restrictive in purpose.

For individual donors making restricted gifts of \$25,000 or more, EFAA shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding reporting and/or donor recognition. The donor can choose the name by which they would like to be recognized; this is not the same as having naming rights over the fund. If specific restrictions are indicated and the donor's restrictions cannot be followed, the gift will not be accepted. Multiple donors cannot combine gifts to meet the minimum for a restricted gift. EFAA records each gift according to the restrictions indicated by the donor.

- B. **Real Estate:** Gifts of real estate, including undeveloped property, are subject to review by EFAA's Finance Committee. The donor is responsible for obtaining, and bearing the cost of, an independent, disinterested, and qualified appraisal of the property. Donor must also provide EFAA with the current owner's title policy or title commitment and substantiation of zoning status. EFAA may seek an independent environmental assessment reflecting the environmental condition of the real estate before presentation to the Finance Committee. The Finance Committee's recommendation must be approved by the Executive Committee prior to gift acceptance.
- C. **Oil, Gas, and Mineral Interests:** Gifts of oil, gas, and mineral interests are generally not accepted. However, proposed gifts of \$250,000 or higher may be brought by the Executive Director to the Board of Directors for consideration.

- D. **Named Endowments:** With Board approval, a donor, or group of donors, may establish a named endowment and restrict the use of the income or principal of the fund. Named endowments require a minimum contribution of \$1,000,000 to establish the fund and are subject to the same scrutiny as any other restricted gift. Named endowments may be augmented by gifts from other individuals with similar interests once they are established.
  
- E. **Closely Held Securities:** Non-publicly traded securities, including membership interests in limited liability companies or partnership interests may be accepted after consultation with EFAA's Finance Committee and legal counsel. Prior to acceptance, EFAA shall explore methods of liquidation for the securities through redemption or sale, as well as EFAA's potential liability exposure through its ownership of such equity securities. EFAA and its advisors will determine whether any restrictions on transfer exist, whether an exemption exists under applicable securities law allowing such transfer, and an estimate of fair market value. A qualified appraisal of fair market value is required where the closely held securities are believed to be valued at \$10,000 or more (in accordance with IRS regulations).

#### VI) **Unacceptable Gifts**

EFAA reserves the right to decline any gift at its sole discretion. Generally, the organization shall not accept gifts that:

- A. Violate any federal, state, or local statute or ordinance
- B. Contain unreasonable conditions and/or are too difficult or expensive to administer
- C. Are made with the condition that the proceeds will be spent by EFAA for the personal benefit of a named individual
- D. Expose EFAA to liability or jeopardizes our 501(c)3 status
- E. Are for purposes that do not further EFAA's objectives and/or could damage the reputation of EFAA

All decisions to accept potentially controversial gifts will be made by the Executive Director in consultation with the Board of Directors. The primary consideration will be the impact of the gift on the organization.

#### VII) **Miscellaneous Provisions**

- A. **Securing appraisals and legal fees for gifts to EFAA:** EFAA will not accept a gift unless the donor is responsible for (a) the fees of independent legal counsel retained by the donor for completing the gift, (b) appraisal fees, (c) environmental audits and title binders (in the case of consideration of a real property gift), and (d) all other third-party fees associated with the transfer of the gift to EFAA.
  
- B. **IRS filings upon sale of gifts:** EFAA shall file relevant IRS Forms upon the sale and disposition of any charitable deduction property sold under current IRS regulations.
  
- C. **Conflict of interest:** The Board will assure itself that staff, Board and volunteers are circumspect in all dealings with donors to avoid even the appearance of any act of self-dealing, including material financial interests. Those soliciting gifts for EFAA shall not personally benefit by way of

commission, finder's fees, salary, or other benefits in the performance of their duties on behalf of EFAA.

**VIII) Revisions to and Adoption of Gift Acceptance Policy**

Except as otherwise stated within these written policies, the Development & Communications Committee must approve any exceptions to policy provisions. The Development & Communications Committee will review this policy, and any related policies, including the EFAA Endowment Fund Policy, no less than every two years and make recommendations for revisions, subject to final approval by the Board of Directors.

This policy was adopted by the EFAA Board of Directors at a legal and duly recorded Board of Director's meeting on June 21, 2018.

Amended and adopted on November 21, 2019.

Amended and adopted on September 19, 2024.