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### **Gift Acceptance Policies**

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As the ole proverb says, “If you do not know where you are going any road will get you there.”

Gift acceptance policies (GAP) are the travel map for operating a quality planned gift effort and allow the PGO and the board to examine issues and opportunities for charitable estate and gift planning. Policies are a vital first step in constructing a planned gift effort. Policies must be in place for specific programs so the staff and board are comfortable with how to proceed with donor gifts.

The purpose of the guidelines are to protect the interest of donors for both current and deferred gifts, as well as, protecting the interests of the charity so it will not accept inappropriate gift arrangements or gifts that will be a continuing burden.

Operational policies can serve to instill confidence in potential donors that the charity has “thought thru” how they will handle their gift. Guidelines serve to promote both good management and good donor relationships. An angry or upset donor can wreck havoc on future gift solicitations.

Education of board members is facilitated as specific programs are examined and guidelines developed. Beyond the general enabling policies for program development the staff should present and the board should examine in detail the working of various gift arrangements, life income agreement and implications of specific estate planning strategies. Policy development allows everyone to “walk thru how it should work” for the benefit of both the donor and the charity. Board members should become first line ambassadors for the planned gift program and many will see themselves or their colleagues as potential participants.

The administrative details of gift arrangements should not be overlooked as the board is ultimately responsible for competently administering donor assets. Outside commercial gift administrators may be interviewed to provide additional input into the policy development process based upon their experience with other charities. If outside administrative services are to be used their role, function, relationship to the charity and the donor need to be clearly stated in the policies.

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Because guidelines can not embrace every gift situation the policies should provide a mechanism to exercise sound judgment, on a case by case basis, in handling situations not specifically covered.

Policies should be reviewed annually or as needed if there are major administrative changes in the charities operations or significant changes in tax or estate planning regulations.

The board should examine and adopt the general practice standards included in the National Committee on Planned Giving” (NCPG) “Model Standards of Practice for the Charitable Gift Planner” [www.ncpg.org](http://www.ncpg.org).

Policies should include statements which are common to most planned gift programs. Following the common elements specifics on each gifting program should be listed in greater detail. Common elements are: Purpose of the Guidelines; Mission of the Charity; Primacy of the Donor’s Interest; Representatives Authorized to Negotiate Gift Terms; Confidentiality and Conflicts of Interest; Use of Legal Counsel; Finder’s Fees and Commissions; Gift Valuations; Forms and Agreements; Gift Procurement Costs.