

Gift Acceptance Policies and Guidelines



The Berston Fieldhouse is a non-profit 501(c)3 organized under the laws of the State of Michigan. Charitable contributions made to the Berston Fieldhouse are tax deductible to the full extent of law on state and federal returns. The Friends of Berston (hereafter referred to as the FOB) encourages the solicitation and acceptance of gifts for purposes that will help the FOB build on cultivating Berston's legacy as a unique place for individual and community enrichment through education, athletics, the arts, and community service as a recognized place of hope and achievement for the entire community.

I. Purpose of Policies and Guideline

The FOB and its staff solicit current and deferred gifts from individuals, corporations, and foundations. These policies and guidelines govern the acceptance of gifts by the FOB and provide guidance to prospective donors and their advisors when making gifts to the FOB. The provisions of these policies shall apply to all gifts received by the FOB for any of its operations programs or services.

II. Use of Legal Counsel

The FOB will seek the advice of legal counsel regarding the acceptance of gifts when appropriate review by council may be recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy sell agreements.
- b. Documents naming FOB as trustee.
- c. Gifts involving contracts, or other documents requiring the FOB to assume an obligation.
- d. Transactions with potential conflict of interest that may invoke sanctions by the IRS.
- e. Other instances deemed appropriate by the Executive Director and the Director of development.

III. Conflict of Interest

The FOB will urge all prospective donors at their own expense to seek the assistance of legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

IV. Restrictions on Gifts

The FOB will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent mission, purposes, and priorities. The FOB will not accept gifts that are too restrictive in purpose or that violate the terms of the gift acceptance policy. The FOB may refuse gifts that it deems are too difficult to administer, or gifts that are for purposes outside the mission. All final decisions on the acceptance or refusal of all gifts shall be made by the Executive Committee and the Executive Director.

It is the responsibility of the Executive Director to review all gifts made to the FOB. The Executive Committee will be consulted to screen and accept gifts of any complexity and make recommendations to the board on gift acceptance issues when appropriate.

V. Types of Gifts

A. The following gifts are acceptable:

Immediate gifts

1. Cash
2. Securities
3. Tangible Personal Property

Life Income Gifts

4. Charitable Remainder Trusts
5. Charitable Lead Trusts
6. Retirement Plan Beneficiary Designations
7. Bequests
8. Life Insurance
9. Real Estate

B. The following criteria governed the acceptance of each gift in the form of:

1. Cash: cash is acceptable in any form. Checks shall be made payable to the Friends of Berston.
2. Securities: the FOB accepts both publicly traded securities and closely held securities

Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transfer signature or stock power attached. As a general rule, all marketable Securities will be sold upon receipt.

Closely held securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies and other ownership forms can be accepted subject to the approval of the Executive Committee and Executive Director. However, gifts must be reviewed prior to acceptance to determine that:

- › There are no restrictions on the security that would prevent FOB from ultimately converting those assets to cash.
- › The security is marketable, and the security will not generate any undesirable tax consequences for the FOB.

If potential problems arise on initial review of the security, the opinion of a 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 Committee and Executive Director, and legal counsel when necessary. Every effort will be made to sell nonmarketable securities as quickly as possible.

3. Tangible personal property:

All other gifts of tangible personal property shall be examined in light of the following criteria and the final determination on the acceptance of tangible property gifts shall be made by the Executive Committee and Executive Director.

- › Does the property fulfill the mission of the FOB?
- › Is the property marketable?
- › Are there any undue restrictions on the use, display, or sale of the property?
- › Are there any carrying costs for the property?

4. Charitable remainder trust

The FOB may accept the designation as remainder beneficiary of a charitable remainder trust with the approval of the Executive Committee and Executive Director. The FOB will not accept appointment as trustee of a charitable remainder trust.

5. Charitable lead trust:

The FOB may accept a designation as income beneficiary of a charitable lead trust. The FOB, Executive Director, or FOB staff will not accept an appointment as trustee of a charitable lead trust.

6. Retirement plan beneficiary designations:

Donors and supporters of FOB are encouraged to name the FOB as beneficiary of their retirement plans. Such designations will not be recorded as gifts unless the gift is irrevocable.

7. Bequest:

Donors and supporters of FOB are encouraged to make bequests to the FOB in their wills and trust. Such requests will not be recorded as gifts to the FOB until such time as the gifts are irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

8. Life Insurance:

The FOB must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its cash surrender value (interpolated terminal reserve value) upon receipt. If the donor contributes future premium payments, the FOB 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, the FOB may:

- › Continue to pay the premiums.
- › Convert the policy to paid up insurance value.
- › Surrender the policy for its current cash value.

9. Real Estate:

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, at the owner's expense, the FOB will require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the FOB shall retain a qualified and Inspection firm to conduct an Environmental Audit. The cost of the Environmental Audit shall be at the expense of the donor.

When appropriate, a title binder shall be obtained at the expense of the donor prior to the acceptance of the real property gift. Prior to acceptance of the real property, the gift shall be approved by the FOB board on the recommendation of the Executive Committee, Executive Director, and Director of fund development and legal counsel. Criteria for acceptance of the property shall include:

- › Is the property useful for the purposes of the FOB?
- › Is the property marketable?
- › Are there any restrictions, reservations, easements, or other limitations on the property?
- › Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- › Does the Environmental Audit reflect that the property is environmentally sound?

VI. Naming Opportunities

A. Naming With Funds

Naming opportunities are offered by the FOB as part of a campaign to raise endowment support. The campaign committee, along with the FOB board will assign dollar values to the unnamed spaces.

- › The monetary amount for each area is based on the location, visibility, desirability, and use of the area.
- › The designation amount is not representative of the cost of the construction, installation, or the maintenance of the spaces.

The naming of the designated space will occur when the following conditions have been met.

- › The donor has committed to naming the space by signing a pledge form.
- › At least 75% of the pledge amount has been received by the FOB.

Naming with a deferred gift will only be carried out when the gift is actually realized. Until that point is reached, the naming will be viewed as a reserved opportunity. If a second donor expresses interest in pursuing the same naming opportunity, the first donor shall be given right of first refusal.

B. Regulations regarding spaces named with funds

Naming a space is considered a permanent act and it is expected that the designated name will not change except under certain extraordinary circumstances. For example, a namespace is either demolished or given over to a new use. Although this is a rare occurrence, donors should be made aware that it is not outside the realm of possibility. In such an event, the FOB board shall review the circumstances and strive to find a solution that will enable the name to be used in a manner that coincides with the donor(s) original intent as closely as possible, and which is consistent with the mission and the needs of the FOB.

The FOB reserves the right to withdraw from a naming agreement if the name of an individual has been bestowed upon a space, comes into disrepute at the FOB or in the general community.

C. Naming without funds

The governance of the FOB may elect to name a space without a donation. This may be done to commemorate an individual service, honorary living or deceased donor, staff, board member, or other eminent individuals for their achievements. Naming without funds shall be considered by on the recommendation of the Executive Committee, FOB board members, and Executive Director on a case-by-case basis and supported by extraordinary justification for the naming.

D. Regulations Regarding Named Spaces Without Funds

Naming without funds is considered a tribute in the designated name can change under certain circumstances. For example, a namespace is demolished, given over to a new use or the FOB wishes to use the space to honor a person in its recent history or to use during a campaign to name with funds. Although this is a rare occurrence, honorees, and their survivors should be made aware that it is not outside the realm of possibility. In such an event, the FOB board shall review the circumstances and strive to find a solution that will be in agreement with survivors of the past honoree and consistent with the mission and needs of the FOB.

The FOB reserves the right to withdraw from the honor naming if the name of an individual has been bestowed upon a space, comes into disrepute at the FOB or in the general community.

VII. Acknowledgement of Gifts

The Executive Director of the FOB will acknowledge all gifts by letter within a timely manner. Upon receipt of the gift, tax information will be provided by the FOB to the donor.

- › Donors will be listed in the Annual report.
- › Donors will be listed in quarterly updates.
- › Cumulative monetary donor files are managed by the FOB board. All donors beginning at the Silver Patrons level of \$5000 are place on a donor recognition wall. This the donors file and the donors name will move to the next category on the wall when reached.

Levels are categorized as follows:

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| <input type="checkbox"/> Neal J Berston Society – \$3,000,000 + | <input type="checkbox"/> Legacies of Berston – \$25,000-49,999 |
| <input type="checkbox"/> Community Champions – \$1,000,000-2,999,99 | <input type="checkbox"/> Golden Patrons – \$10,000-24,999 |
| <input type="checkbox"/> Berston Community Sustainer – \$500,000-999,999 | <input type="checkbox"/> Silver Patrons – \$5,000-9,999 |
| <input type="checkbox"/> Silver Sponsors – \$250,000-499,999 | <input type="checkbox"/> Friends of Berston Forever – \$1,000-4,999 |
| <input type="checkbox"/> Bronze Sponsors – \$100,000-249,999 | <input type="checkbox"/> In honor or memoriam of _____ – \$ 500-999 |
| <input type="checkbox"/> Legacy Sponsors – \$75,000-99,999 | <input type="checkbox"/> Future Legacies – \$1-499 |
| <input type="checkbox"/> Berston Philanthropist – \$50,000-74,999 | |

VII. Gift Acceptance Policies:

These policies and guidelines have been reviewed and accepted by the Executive Director, and the Friends of Berston Board of Directors.