

## **GIFT POLICY**

### **Policy and Purposes**

This is the policy of the Housing Authority of the City of Longview (the “Organization”) governing the solicitation and acceptance of gifts by the Organization. The Board of Commissioners or authorized agent of the Organization and its staff may solicit current and deferred gifts from individuals, corporations, organizations, and others for purposes that will further and fulfill the Organization’s mission. This Policy is intended to provide:

- Guidance for the Governing Body, officers, staff, and other constituencies with respect to their responsibilities concerning gifts to the Organization; and
- Guidance to prospective donors and their professional advisors when making gifts to the Organization.

The provisions of this Policy shall apply to all gifts and gifts in-kind received by the Organization. Notwithstanding the foregoing, the Organization reserves the right to revise, revoke, or make exceptions to this Policy at any time.

### **Definitions**

- Donor – A person, corporation, association, or other organization who donates a Gift
- Gift – Any money or property, real or personal, given willingly to a person or organization without expectation of anything in return; a donation
- Gift in-kind – The provision of goods or services (includes amounts “discounted”) without expectation of anything in return
- Governing Body – The Housing Authority of the City of Longview’s Board of Commissioners
- Marketable Securities – Bonds, stock, or other securities readily tradeable on an established securities market
- Vendor – A person or company who transfers property by sale or provides services to the Organization with an expectation of payment

### **Use of Legal Counsel**

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

- Documents naming the Organization as trustee or custodian;
- Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring the Organization to assume an obligation;
- Transactions with an actual or potential conflict of interest;
- Gifts of real estate;
- Pledge agreements with unique terms;
- Gifts with donor restrictions and unique or unusual terms; and
- Gifts of cryptocurrency.

For any gift, and to avoid actual or potential conflicts of interest, the Organization 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.

### **Unacceptable Gifts**

The Organization will not accept gifts that:

- Violate federal, state, or local law;
- Violate the terms of the Organization’s organizational documents;
- Would jeopardize the Organization’s status, mission, or charter under the law;
- Are too difficult or expensive to administer;
- Would conflict with any previously adopted resolutions of the Organization or otherwise do not further the Organization’s objectives;
- Could damage the reputation of the Organization; or are
- Non-publicly traded or restricted securities.

**Policy Regarding Specific Types of Gifts**

- Gifts Generally Accepted Without Review by the Governing Body
  - Gifts of cash without donor restrictions will be accepted by the Organization without prior review by the Governing Body. Gifts of cash without donor restrictions are acceptable in any form. Checks shall be made payable to the Organization.
  - Gifts in-kind from a Vendor with active or developing relationships to the Organization will be accepted by the Organization without prior review by the Governing Body. Gifts in-kind are acceptable to support fundraising and administrative efforts. Gifts in-kind will be supported through discounted invoices or gift in-kind valuation forms provided by the donor to ensure proper accounting and reporting for the Organization.
  
- Gifts Subject to Governing Body Review Prior to Acceptance.
  - **Tangible Personal Property:** The Governing Body shall review and decide whether to accept gifts of tangible personal property by considering the following factors:
    - Whether the property furthers the mission of the Organization;
    - The marketability of the property;
    - Restrictions on the use, display, or sale of the property; and
    - Carrying costs and possible liability for the property.
  
  - **Marketable Securities**
    - Marketable Securities that are not restricted by applicable securities laws or any other restrictions on sale may be transferred to an account maintained by the Organization 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 the Organization’s Governing Body.
    - If the marketable securities are restricted from immediate sale or by applicable securities laws, the Governing Body shall make the final determination on the acceptance of the restricted securities.
  
  - **Bequests:** Donors may make bequests to the Organization under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable.
  
  - **Real Estate:** Gifts of real estate may include, but are not limited to developed property, undeveloped property, or gifts subject to a prior life interest.
    - *Environmental Review.* Prior to acceptance of real estate, the Organization 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 due to the presence of hazardous substances as defined by local and

federal law, the Organization shall retain a qualified inspection firm to conduct an environmental audit or reject the gift of real estate.

- *Title Policy.* A title policy shall be obtained by the Organization prior to the acceptance of the real property gift when appropriate.
- *Factors for Acceptance.* The Governing Body and legal counsel shall review and decide whether to accept real property based on the following factors:
  1. Whether the property is useful for the purposes of the Organization;
  2. The marketability of the property;
  3. Any encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property;
  4. Any carrying costs associated with the property, including insurance, property taxes, mortgages, notes, or other costs;
  5. Any concerns which the environmental audit revealed and such other conditions as the Governing Body deems advisable or necessary, in its sole discretion.
  6. Negotiation of a mutually acceptable donation agreement.
  
- **Charitable Remainder Trusts:** The Organization may accept designations as a remainder beneficiary of a charitable remainder trust. These transactions must be reviewed by legal counsel and approved by the Governing Body.
  
- **Charitable Lead Trusts:** The Organization may accept designations as an income beneficiary of a charitable lead trust. These transactions must be reviewed by legal counsel and approved by the Governing Body.
  
- **Retirement Plan Beneficiary Designations:** The Organization may accept designations as a beneficiary of a donor's federal income tax qualified retirement plan. Designations will not be recorded as gifts until the gift is irrevocable.
  
- **Life Insurance:** The Organization may accept designations as a beneficiary of a life insurance policy. Donors may name the Organization as beneficiary or contingent beneficiary of their life insurance policies. Designations will not be recorded as gifts until the gift is irrevocable.
  
- **Restricted Gifts:** A gift or those gifts in excess of an appropriate, board-approved threshold with donor-imposed restrictions will be accepted only if and when such restrictions are approved by the Governing Body.
  
- **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 Governing Body approval like any other restricted gift.

### **Additional Provisions**

- **Gift Agreements.** Where appropriate, the Organization shall enter into a written gift agreement with the donor, also known as a donation agreement, specifying the terms of any donor-restricted gift, conditions for acceptance, and which may include provisions regarding donor recognition and use of earnings derived from the gift. These agreements will be subject to Governing Body approval.
- **Pledge Agreements.** Acceptance by the Organization of pledges by donors of future support of the Organization (including by way of matching gift commitments) will 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. Pledge agreements shall be approved by the Governing Body.

- **Valuation of Gifts.** The Organization 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 GAAP.
- **IRS Filings upon Sale of Gifts.** To the extent applicable, the Governing Body shall ensure all applicable IRS Forms are completed and filed. The Organization will further ensure compliance with all other IRS requirements.

**Contemporaneous Written Acknowledgement.** The Organization will provide the donor of any accepted gift with such contemporary written acknowledgement consistent with guidance published from time to time by the Internal Revenue Service. Such written acknowledgement will include: (a) the donor's name, (b) the Organization's name and EIN, (c) the cash amount of the donation or a description of the donation (if other than cash), (d) the date of the donation, (e) a statement that no goods or services were provided by the organization in return for the contribution, if that was the case, and (f) the amount and type of goods or services provided by the Organization to the donor, if any (a so-called "**quid pro quo contribution**"). In any quid pro quo contribution, the Organization's written acknowledgement will also include a statement that the value of the donor's charitable gift is limited to the amount by which the value of the donation exceeds the value of the goods or services provided by the Organization and must give a good-faith estimate of the value of the goods or services provided to the donor. The Organization's written acknowledgment may not recite a value for noncash donations.

#### **Financial Accountability**

All gifts and gifts in-kind will be tracked by staff and supported with appropriate documentation to meet all associated Financial Reporting requirements

#### **Changes to or Deviations from the Policy.**

This Policy has been reviewed and accepted by the Organization's Governing Body, which has the sole power to change this Policy as necessary. In addition, the Governing Body must approve in writing any deviations from this Policy.