**Gift Acceptance Policy and Procedures**

1. **MISSION**

Seeking to put God’s love into action, Pikes Peak Habitat for Humanity brings people together to build homes, communities and hope.

1. **PURPOSE**

This policy serves as a guideline for Pikes Peak Habitat for Humanity (PPHFH) staff, board members, volunteers, outside advisors who assist in the gift planning and solicitation process, and prospective donors who wish to make gifts to PPHFH of unrestricted, restricted and endowment funds. Pikes Peak Habitat for Humanity actively solicits gifts and grants to further the mission of PPHFH. As gifts can encourage others to give or do the opposite, this gift acceptance policy is intended only as a guide and allows for flexibility on a case-by-case basis. In addition, the policy further addresses the valuation of any gifts or donations based on generally accepted accounting principles.

1. **POLICY GUIDELINES** 
   1. The Executive Director of PPHFH, Director of Development and designated Board members, volunteers, or staff of PPHFH, have authority to solicit and/or accept gifts on behalf of PPHFH.
   2. The Executive Director may designate the Development Committee responsible for recommending whether or not to accept proposed gifts. The Committee shall consist of no less than three members from the Development Committee, as well as the Executive Director as a non-voting member and convener, and the Director of Development as a non-voting member. The Chairperson shall have the authority to appoint other volunteers or employees, on an ad hoc basis, who have special expertise that may be needed in order to make a decision on a specific gift.
   3. The Development Committee may consider each gift according to its intended use, restrictions, liabilities and financial impact on PPHFH, now and in the future. Only gifts, bequests, devises, endowments, trusts and similar funds that are designated for PPHFH’s use consistent with the stated goals and mission of PPHFH will be considered for acceptance.
   4. The Executive Director or gift solicitor will refer to the Development Committee, before acceptance, gifts that are given with unusual restrictions or designations, have the potential of jeopardizing the tax-exempt status or violating PPHFH and its policies, local, state or federal laws.
2. **TYPES OF GIFTS** 
   1. **CASH** 
      1. Pikes Peak Habitat for Humanity, regardless of amount, shall accept all gifts by cash, credit card, or check.
      2. Checks shall be made payable to Pikes Peak Habitat for Humanity, Inc. (aka Pikes Peak Habitat, or PPHFH), unless otherwise specified. In no event shall a check be made payable to an individual who represents PPHFH.
   2. **PUBLICLY TRADED SECURITIES** 
      1. Pikes Peak Habitat for Humanity can accept readily marketable securities, such as those traded on a stock exchange.
      2. Gift securities are likely to be sold immediately by PPHFH.
      3. For Pikes Peak Habitat for Humanity’s gift crediting and accounting purposes, the value of the securities is the average of the high and low on the date of the gift, in accordance with IRS regulations.
   3. **CLOSELY HELD SECURITIES** 
      1. Gifts of closely held corporate stock will only be accepted with an appraised value in advance.
      2. An appraisal of securities must be provided by the gift or to determine both value and potential for sale.
      3. Gifts of securities that require a holding period will be accepted and sold when the holding period has expired.
      4. Gifts of securities that will not be accepted include: securities that are assessable or in any way could create a liability to PPHFH; securities that, by their nature, may not be assigned (such as “S” corporation stock); securities that on investigation have no apparent value; any security that may give the impression of “self-dealing”.
   4. **REAL ESTATE** 
      1. The Building Committee and Site Selection Committee will review gifts of real estate and determine if it fits one of two criteria:
         * The property would be rehabilitated so that we may select a qualified homeowner to occupy, or
         * The property would be sold for financial income.
      2. The donor is responsible for obtaining an appraisal of the property, unless otherwise determined by PPHFH.
      3. A member of the Site Selection Committee must conduct a visual inspection of the property. If the property is located in a geographically distant area, a local real estate broker with no ties to the seller may substitute for a member of the

Committee in conducting the visual inspection. Pikes Peak Habitat also requires an environmental site assessment including Title V status for possible contamination, (i.e., leaking underground storage tanks) or other restrictions (i.e., wetlands). Paying for this assessment is negotiable; however, the costs must in no way exceed the fair market value of the property.

* + 1. Due to the expenses associated with gifts of real estate, only gifts valued in excess of $10,000 will be accepted.
    2. If the donor is giving a life estate gift, the donor may be asked to pay for all or a portion of the following: maintenance cost; real estate taxes; insurance; real estate broker’s commission and other costs of sale; appraisal costs. If the real estate is an outright gift, PPHFH will pay for these costs.
    3. For Pikes Peak Habitat for Humanity’s gift crediting and accounting purposes, the value of the gift is the fair market value of the real estate.
    4. Properties with mortgages will be considered on a case-by-case basis. Consideration may include an independent appraisal and the mortgage percentage of property value. Mortgaged property is not acceptable for charitable remainder trusts.
    5. When possible, mortgages will be cleared before the transfer of property.
    6. Pikes Peak Habitat adheres to all federal and state requirements for disposing gifts of tangible personal property and filing appropriate forms.
  1. **LIFE INSURANCE** 
     1. Pikes Peak Habitat for Humanity will accept gifts of life insurance policies only when PPHFH is named as the owner and beneficiary of 100% of the policy.
     2. If the policy is paid-up, the value of the gift for PPHFH’s gift crediting and accounting purposes is the policy’s replacement costs.
     3. If the policy is partially paid up, the value of the gift for PPHFH’s gift crediting and accounting purposes is the policy’s cash surrender value.
  2. **TANGIBLE PERSONAL PROPERTY**
     1. Gifts of tangible personal property made directly to PPHFH, should have a use related to PPHFH’s exempt purpose. The exception would be those gifts made to the PPHFH ReStore.
     2. Gifts of jewelry, artwork, collections, equipment, and software shall be accepted with approval by PPHFH. Other matters that will be taken into consideration by PPHFH before deciding on acceptable gifts of personal property include: transportation cost; storage cost; cost of selling; cost of maintenance and repairs; location of property; cost of insurance; IRS Forms 8282 and / or 8283.
     3. Such gifts of tangible personal property defined above shall be used by or sold for the benefit of PPHFH.
     4. Depending upon the anticipated value of the gift, and in compliance with IRS Forms 8282 and 8283, the donor shall have a qualified outside appraiser value the gift before it can be accepted by PPHFH. A minimum threshold will be an anticipated value of $5,000.
     5. Pikes Peak Habitat for Humanity adheres to all federal and state requirements for disposing gifts of tangible personal property and filing appropriate forms.
  3. **PLANNED GIFTS AND MEMORIALS** 
     1. The staff and volunteers shall encourage assets transferred through bequests that have immediate value to PPHFH, or that can be liquidated. Gifts that appear to require more cost than benefit shall be discouraged or rejected.
     2. Pikes Peak Habitat may accept and administer bequests and memorials designated for specific purposes, at a minimum amount to be agreed upon by the Development and Finance Committees.

1. **ADMINISTRATIVE ISSUES** 
   1. Pikes Peak Habitat for Humanity and its staff shall not act as an executor (personal representative) for a donor’s estate.
   2. Pikes Peak Habitat for Humanity may act as co-trustee of a charitable trust when the trust names Pikes Peak Habitat for Humanity, Inc. (aka Pikes Peak Habitat, or PPHFH) as a beneficiary of 50% or more of the trust.
   3. Pikes Peak Habitat for Humanity will pay for the drafting of legal documents for a charitable remainder trust of which PPHFH is named as a beneficiary of 50% or more of the trust. The donor’s own counsel must review the documents at the donor’s cost.
   4. Terms and conditions must be agreed upon before an endowment is established; therefore, contact with PPHFH’s Executive Director for appropriate documentation is required.
   5. In accordance with PPHFH’s Investment Policy, a minimum contribution is required to establish a named endowment (amount to be determined by the Development Committee).
   6. For restricted and endowed funds, if future circumstances change, or the donor fails to fulfill his pledge obligation, or the purpose for which the fund is established becomes illegal, impractical, or no longer meets the needs of PPHFH, PPHFH may designate an alternative use in the spirit of the donor’s original intent for the gift to further the objectives of PPHFH.
   7. Pikes Peak Habitat for Humanity may elect to refuse gifts of cash, securities, real estate or other items of value if there is a reason to believe that such gifts are incompatible with the mission of the organization, conflict with its core values, or would create a financial, administrative, or programmatic burden. Questionable gifts will be directed to the Executive Director or the Board of Directors for guidance on a case-by-case basis.
   8. Pikes Peak Habitat for Humanity may elect to refuse gifts of any type if the potential gift poses a conflict of interest, including, but not limited to, real conflicts of interest, appearances of conflicts of interests, or perceived conflicts of interest.
   9. Pikes Peak Habitat for Humanity operates in accordance with the Donor Bill of Rights (developed by Association of Fundraising Professionals) and the Association of Fundraising Professionals’ Code of Ethics.
   10. Requests by donors to remain anonymous, have their names removed from mailing lists, or to restrict appeals will be honored. Private information about donors will not be made public. Donors will not be subjected to excessive pressure when solicited for contributions.
   11. Pikes Peak Habitat for Humanity does not pay fundraisers based on a percentage of the amount raised or other commission formula.
2. **ACCOUNTING OF IN-KIND DONATIONS**
   1. The value of In-kind donations or gifts will be recorded in a proper and consistent

manner that is in compliance with current generally accepted accounting principles.

* 1. Donated construction materials, if significant in amount, should be recorded at their fair value at the date of receipt.
  2. The recording of donated services will comply with generally accepted accounting

principles and related statements of position.

1. The recorded value of donated professional services will be at the current market

value.

1. The value of donated non-professional labor will be recorded at 120% of the state’s current minimum wage at the time the home is sold to the partner family.
   1. The recorded value of donated land will be based on the current market value as stated in the HUD-1 real estate transaction document (Line 101: Contract Sales Price, minus any price discount applied), or, in cases of land bequest, on the current appraised value.

**This policy is to be reviewed annually by The Finance Committee**

Original Policy Accepted by Development Committee: 06/13/2013

Original Policy Approved by Board of Directors: 09/09/2013

Revised Policy Accepted by Finance Committee: 01/20/2015

Revised Policy Approved by Board of Directors: 02/02/2015