

Montessori Academy of Colorado Gift Acceptance Policies

Approved and adopted by the MAC Board of Directors, 1/24/2011

These policies have been established to detail the acceptance of gifts to MAC.

The purpose is to:

- Ensure that tax-deductible gifts are received in a manner consistent with the Internal Revenue code and do not jeopardize MAC's tax-exempt status.
- Minimize MAC's incurrence of potential liabilities.
- Limit the acceptance of gifts that are difficult to administer.

As a 501(c)3 non-profit organization, the Montessori Academy of Colorado (MAC) relies on charitable contributions to fulfill its mission. MAC is authorized to encourage donors to make both outright and planned gifts. MAC, in soliciting or accepting gifts, shall clearly represent the school's policies and mission which might pertain to this exchange and honor all statements about the use of the contribution. MAC shall always disclose to potential donors important and relevant information. Every gift will be promptly acknowledged, and donors will be informed of how the gift will be recognized. This policy pertains to sponsored and/or collaborating projects of MAC as well.

1. The policy of MAC is to inform, serve, guide, or otherwise assist donors who wish to support MAC activities, but never under any circumstances to pressure or unduly persuade.
2. Contributions must support and enhance the mission and purpose of MAC. Contributions which subject the organization to burdensome or unusual restrictions will not be accepted.
3. MAC will accept only gifts or promote only programs that are in the best interest of the donor and of the policies, bylaws, or charter of MAC.
4. MAC reserves the right to decline any financial commitment, gift, or bequest, as well as the right to determine how a gift will be credited and/or recognized. Specific requests about acknowledgment will be honored consistent with MAC's practices and policies.
5. Unrestricted gifts will be encouraged unless either (a) the donor indicates that he or she is only willing to make a restricted gift or (b) the option of a restricted gift will otherwise significantly increase the chances of obtaining a gift from the donor.
6. MAC will not, in most cases, assume any indebtedness in connection with a gift. Exceptions to the contrary must be approved on a case-by-case basis by the Board of Directors.
7. IRS regulations govern certain aspects of gift acceptance. MAC will follow these regulations.
8. Associated expenses with the conveyance of a gift made to MAC are to be borne by the donor.
9. MAC will assume that donors rely on their own personal advisors for tax, legal, financial and other advice concerning their gifts.

10. All information about donors and prospective donors, including but not limited to their names, the names of their beneficiaries, the nature and amounts of their gifts, and the sizes of their estates will be kept confidential by MAC and its representatives, unless the donor grants permission to release such information. All requests by donors for anonymity will be honored, except to the extent that MAC is required by law to disclose the identity of the donors.

Gifts of Cash:

MAC will accept gifts of cash to support the mission of the organization. Your contribution may be designated for a specific program or it may be left undesignated, available for meeting the school's highest priorities. If you wish your gift to be restricted, be sure to indicate your preference both on your check and in a cover letter.

Pledges:

A donor may pledge a contribution to MAC to be paid over a maximum of a five year timeframe, or a period of time that is mutually acceptable to the donor and the MAC board. Verbal pledges will not be recognized or recorded until an original signed letter of intent is received by MAC.

Matching Gifts:

Unless the company specifies otherwise, matching gifts from corporations will follow the restrictions of the donor whose gift is being matched. If a donor makes an unrestricted gift, the matching gift is unrestricted. If a donor makes a restricted gift, the match is likewise restricted.

Gifts of Equipment/Furniture:

MAC will accept gifts of new or used equipment/furniture that are determined to be of use to the school. The Executive Director shall make that determination.

Gifts of Airline Tickets or Air Miles:

MAC will accept gifts of tickets or air miles for travel to be used by staff or board members to attend conferences/meetings as approved by the Executive Director.

Auction Gifts:

MAC will accept donations of gifts-in-kind for auction events or in response to other fundraising initiatives.

The donor is responsible for determining the value of the donated item for purposes of federal tax treatment of the contribution.

For non-cash gifts, except publicly traded securities, with a value in excess of \$5,000, it is necessary for the donor to complete and file an IRS form 8283 in order to be eligible for a charitable contribution income tax deduction. If the gift has a value of \$5,000 or more, the IRS requires an appraisal by a professional, independent appraiser in order for the value of the gift

to be accepted as a deduction. In all such cases, donors will be advised to consult with their tax advisor.

Gifts of Securities:

MAC will accept gifts of publicly traded securities, including stocks, mutual funds, municipal and corporate bonds, and treasury bills and notes. MAC staff and/or advisors will verify the ownership of the security, handle the transfer of ownership, and establish a value for deferred gift calculation purposes, as well as handle the sale, liquidation and/or investment processes related to securities. Such gifts will be reviewed by the Finance Committee and Executive Committee of the MAC Board, and such securities shall be sold immediately upon receipt.

Gifts of Real Estate:

Real estate gifts can include personal residences, rental properties, office buildings, land, and other structures. As real estate can be highly illiquid, costly to maintain, and have pre-existing conditions attached to it, any gifts of real estate will be carefully scrutinized and the decision to accept or decline the gift will be made by the Board of Directors. The property shall be physically inspected by a representative of MAC along with a property management consultant. The inspection is to identify any environmental, financial, legal, marketing or public relations risks, hazards or liabilities. If deemed necessary by the consultant, an environmental survey may be recommended before a gift can be accepted. The cost of the survey shall be borne by the donor. Upon review of the survey, the consultant shall recommend acceptance or declination of the gift.

Unless otherwise negotiated, gifts of property will be converted into cash at the earliest opportunity keeping in mind current market conditions and the use of property in the accomplishments of the mission of MAC.

Gifts will not be accepted that may expose MAC to material or personal liabilities as owners of the property. If property is encumbered by indebtedness, the donor will be requested to provide for the payment of carrying costs until the property is liquidated.

Gifts of Personal Property:

Potential contributions include art, antiques, jewelry, automobiles, etc. MAC staff or professional advisors, when appropriate, will review the marketability, accurateness of appraisal and capabilities of MAC to safeguard these assets until liquidation.

Gifts of property, other than publicly traded securities, must be accompanied by an appraisal if the estimated value exceeds \$5,000. A qualified independent appraiser must provide the appraisal. The donor shall secure and pay for a qualified appraisal of the property.

Property gifts of all kinds are to be converted to cash at the earliest convenience.

Bequests:

Sample bequest language for restricted and unrestricted gifts will be made available to the donor and his/her attorney to ensure that the bequest is properly designated.

Donors will be urged to obtain the advice of a professional advisor to create a bequest that is in their best interest. Donors will be invited and encouraged to provide MAC with a confidential copy of that section of his/her will naming MAC as a beneficiary.

Gifts of Life Insurance:

A gift of life insurance is a simple way to make a significant gift to MAC and ensure the ongoing vital work of MAC. "Whole" or "universal" life insurance often has cash value and can be donated to a charitable organization. The donor would receive a tax deduction for the replacement cost of the paid up policy at the time of donation, **not** for the face value of the life insurance.

If the policy requires continuing premium payments, the donor can continue paying those premiums and get a tax deduction for each payment if it is done in the following manner: gift the policy to MAC, who then becomes the owner of the policy. The donor then makes annual donations in the amount of the annual premium costs to MAC, who then pays the policy. The donor then receives a tax deduction for every contribution for the premium payment.

Donors can also purchase a new policy, naming MAC as the beneficiary. The premiums and tax benefits would work exactly as listed in the above paragraph.

When planning a gift of life insurance, it is important to consult your own personal tax and legal advisors.