



Hawthorn Hill Gift Acceptance Policy

Hawthorn Hill solicits and accepts gifts for purposes that will help the organization further and fulfill its mission of serving homeless families with children. Hawthorn Hill urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to Hawthorn Hill for the benefit of any of its operations, programs or services.

Use of Legal Counsel - Hawthorn Hill will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Gifts of securities that are subject to restrictions or buy-sell agreements.
- B. Documents naming Hawthorn Hill as trustee or requiring Hawthorn Hill to act in any fiduciary capacity.
- C. Gifts requiring Hawthorn Hill to assume financial or other obligations.
- D. Transactions with potential conflicts of interest.
- E. Gifts of property which may be subject to environmental or other regulatory restrictions.

Restrictions on Gifts - Hawthorn Hill will not accept gifts that (a) would result in Hawthorn Hill violating its corporate charter, (b) would result in Hawthorn Hill losing its status as an IRS 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for Hawthorn Hill, or (e) are for purposes outside Hawthorn Hill's mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee, in consultation with the Executive Director.

Gifts Generally Accepted Without Review -

- ***Cash.*** Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, American Express), card number, expiration date, CSC, and name of the card holder as it appears on the credit card.
- ***Marketable Securities.*** Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by Hawthorn Hill's Finance Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed

gift; in such instances the decision whether to accept the restricted securities shall be made by the Finance Committee.

- ***Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.*** Donors are encouraged to make bequests to Hawthorn Hill under their wills, and to name Hawthorn Hill as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- ***Charitable Remainder Trusts.*** Hawthorn Hill will accept designation as a remainder beneficiary of charitable remainder trusts.
- ***Charitable Lead Trusts.*** Hawthorn Hill will accept designation as an income beneficiary of charitable lead trusts.

Gifts Accepted Subject to Prior Review – Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

- ***Tangible Personal Property.*** The Executive Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: does the property further the organization’s mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?
- ***Life Insurance.*** Hawthorn Hill will accept gifts of life insurance where Hawthorn Hill is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- ***Real Estate.*** All gifts of real estate are subject to review by the Executive Committee.

A title opinion shall be obtained prior to the acceptance of real estate. The cost of the title opinion shall be at the expense of the donor.

Prior to acceptance of any gift of real estate other than a personal residence, Hawthorn Hill shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, Hawthorn Hill may require that a qualified environmental firm conduct an environmental audit. The cost of the environmental audit shall be at the expense of the donor.

Criteria for acceptance of gifts of real estate include:

- Is the property useful for the organization’s purposes?
- Is the property readily marketable?
- Are there covenants, conditions, restriction, reservations, easements, encumbrances or other limitations associated with the property?
- Are there carrying costs (including insurance, property taxes, mortgages, notes or the like) or maintenance expenses associated with the property?
- Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

Unrestricted Gifts of Cash – Gifts given without restriction on the use of the gift.

- Unrestricted gifts are recorded as unrestricted and used to fund current operations, capital improvements or to maintain reserves. Unrestricted gifts are used with oversight by the Board of Directors.
- Unrestricted bequests are designated at the discretion of the Board of Directors.

Restricted Gifts of Cash – Gifts given for the purpose specified by the donor. Only the donor can restrict gifts.

- Gifts restricted for operations are recorded and deposited into the current operating account.
- Gifts restricted for a capital campaign will be credited towards the capital campaign and recorded and deposited into the designated capital campaign account.
- Gifts restricted for Endowment are put into the Endowment Fund with interest only to be used as specified by donors.

Written Acknowledgement – Hawthorn Hill shall provide written acknowledgement of all gifts made to Hawthorn Hill and comply with the current IRS requirements in acknowledgement of the gifts.

So adopted by the Board at its _____ meeting.

Board President