

HIAS Foundation

Gift Acceptance Policy and Guidelines

HIAS Foundation, Inc. (Hereinafter, "Foundation"), a nonprofit organization organized under the laws of the State of New York, encourages the solicitation and acceptance of gifts to the Foundation for purposes that are consistent with its mission, values, and reputation, and will help the Foundation to further fulfill its mission of supporting HIAS, Inc. The following policies and guidelines govern acceptance of gifts made to the Foundation or for the benefit of any of its programs.

The mission of the Foundation is to provide philanthropic support to HIAS, Inc., so that it can provide vital services to refugees and asylum seekers around the world and advocate for their fundamental rights so they can rebuild their lives.

1. Purpose of Policies and Guidelines

The Board of Directors (BOD) of the Foundation and its staff solicit current and deferred gifts from individuals, corporations, foundations, and other entities to promote the growth and mission of HIAS, Inc. These policies and guidelines govern the acceptance of gifts by the Foundation and provide guidance to prospective donors and their advisors when making gifts to the Foundation. The provisions of these policies shall apply to all gifts received by the Foundation for any of its programs or services.

2. Use of Legal Counsel

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

- a) Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- b) Documents naming the Foundation as Trustee.
- c) Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation.
- d) Transactions with potential conflict of interest that may invoke IRS sanctions.
- e) Gifts of real property.
- f) Gifts of art, other collectibles, and cryptocurrencies.
- g) Other instances in which the use of counsel is deemed appropriate by the Executive Director and/or BOD.

3. Conflict of Interest

The Foundation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Foundation will comply with Model Standard of Practice for Charitable Gift Planners promulgated by the National Committee on Planned Giving, shown as an appendix to this document (Attachment A) and the Donor Bill of Rights promulgated by the Association of Fundraising Professionals) (attached as Appendix B).

4. Restrictions on Gifts and Unacceptable Gifts

The Foundation will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes and priorities. The Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, and gifts that are for purposes outside the mission of the Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Foundation Executive Director.

It is anticipated that restricted endowment gifts have a minimum contribution value of \$100,000.00 to allow for efficient administration and provide adequate distributions from the gift to carry out its purposes. However, the minimum contribution value may be less than \$100,000.00 if approved by the Executive Director.

Acceptance of a gift imposes a legal obligation to comply with the terms established by the donor. Therefore, the nature and extent of this obligation must be clearly understood. Accordingly, the terms of each restricted gift will be reviewed carefully to ensure that it does not hamper the usefulness and desirability of the gift to the Foundation.

If a gift is deemed unacceptable because of restrictions the donor has placed on its use, the donor shall be counseled to remove or modify the restrictions. Gifts may be refused or returned when the purpose:

- a) is inappropriate or not in the best interest of the Foundation
- b) would obligate the Foundation to undertake responsibilities, financial or otherwise, that it may not be capable of meeting during the period required by the terms of the gift
- c) conflicts with the Foundation's articles of incorporation.

By way of example, the Foundation will not accept gifts that:

- d) Contain a condition that the proceeds will be spent by the organization for the personal benefit of a named individual or individuals;
- e) Require the organization and its administration to employ a specified person now or at a future date;
- f) Inhibit the organization from seeking gifts from other donors;
- g) Expose the organization to adverse publicity, litigation or other liabilities or involve the organization in unexpected responsibilities because of their source, conditions, or purpose;
- h) Involve unlawful discrimination based on race, religion, gender, sexual orientation, age, national origin, color, disability, or any other basis prohibited by federal, state, or local law;
- i) Consist of time shares or cemetery plots, as a rule; and;
Require the donor to continue to exercise control over the use of the funds, including selection of recipients or management of the Foundation's assets, as these are not considered gifts by the IRS and will not be treated as gifts by the Foundation

5. Gift Acceptance Review

The following procedure will apply to the review of all gifts:

Gifts completed during the donor's lifetime and enumerated below, other than those made in any form with cash or marketable securities, shall be subject to review and approval by the Executive Director.

The following procedure will apply to the review of all gifts:

All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the HIAS Foundation Board Chair and Treasurer upon consideration of the recommendation of the Executive Director.

In cases where the Foundation is considering the receipt of a complex asset, the Foundation reserves the right to partner with the National Gift Annuity Foundation/Dechomai Foundation in acceptance of such a gift.

IT IS UNDERSTOOD THAT TIME MAY BE OF THE ESSENCE IN MANY OF THESE TRANSACTIONS, REQUIRING REASONABLY PROMPT ACTION ON THE PART OF THE FOUNDATION.

The following criteria govern the forms of acceptable gifts:

- a. Cash: Cash is acceptable in any form, including contributions by checks and credit cards. Checks should be made payable to the Foundation.
- b. Tangible Personal Property: All other gifts of tangible personal property shall be examined considering the following criteria:
 1. Is the property marketable?
 2. Are there any undue restrictions on the use, display or sale of the property?
 3. Are there any carrying costs or contingent liabilities for/on the property?

The above-stated gift acceptance review process shall determine the acceptance of other tangible property gifts.

6. Cryptocurrencies: The Foundation may accept a contribution of cryptocurrency, which will be treated as a noncash contribution, and the cryptocurrency must be valued at the time of the contribution.

Reference: <https://www.journalofaccountancy.com/issues/2019/feb/cryptocurrency-gift-strategies-for-nfp.html>

7. Securities: The Foundation can accept both publicly traded securities and closely held securities.

Publicly Traded Securities. Marketable securities may be transferred to an account maintained by the Foundation at one or more brokerage firms or delivered physically with the transferor's signature or stock power. All unrestricted marketable securities shall be sold upon receipt unless otherwise directed by the investment committee of the Foundation. In some cases, marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made in accordance with the gift acceptance review process.

Closely Held Securities. Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited

liability companies, or other ownership forms, can be accepted subject to the approval procedures stated above. However, gifts must be reviewed prior to acceptance to determine:

- a. There are no restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash;
- b. The security is or will be marketable even if not publicly traded; and
- c. The security will not generate any undesirable tax, financial liabilities or other consequences for the Foundation.

If potential problems arise in an initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Foundation's gift acceptance review process, as well as its legal counsel, shall govern the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

Interests in Business Entities. Donors may make gifts of interests in existing business entities (partnership interests, S Corporations, interests in limited liability companies, etc.). These may be accepted by the Foundation so long as the Foundation assumes no legal liability in receiving them. In evaluating a gift proposal of such assets, prior to making its recommendation to the Executive Director, staff should consider the probability of converting the interest to a liquid asset within a reasonable period of time, projected income that will be available for distribution and administrative fees, and the nature of the business from which the asset is derived. The BOD may decline acceptance of any such gift.

Mutual Funds. A mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities. Mutual funds involve special arrangements for transfer.

8. **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, the Foundation shall require the donor to provide a written environmental review of the property to ensure that the property has no environmental issues that may subject the Foundation to legal or financial liability or financial obligation. Environmental inspection forms are attached as an appendix to this document. If the initial inspection reveals a potential problem, the Foundation shall advise the donor to retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor. An appraisal of the value of the property shall be provided by the donor to the Foundation as part of the acceptance process.

When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

If the Foundation intends to sell the contributed property, it shall advise the donor in advance of the acceptance of the gift.

Prior to acceptance of the real property, the gift shall be approved in accordance with the gift acceptance procedures of the Foundation and with the advice of the Foundation's legal counsel. Criteria for acceptance of the property shall include:

- a. Is the property marketable?

- b. Are there any restrictions, reservations, easements, or other limitations associated with the property?
 - c. Are there carrying costs, which may include insurance, property taxes, mortgages or notes, or other contingent liabilities, etc., associated with the property?
 - d. Does the environmental audit reflect that the property is not accompanied by any environmental issues that may subject the Foundation to legal liability or financial obligation?
9. **Remainder Interests in Real Property:** The Foundation may accept the ownership interest in a personal residence, farm or vacation property subject to the donor's life estate and subject to the provisions governing gifts of real estate. The donor may continue to occupy the real property for the duration of the stated life. The property may not be occupied by lessees or assignees of the donor without written approval by the Foundation. At the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, ad valorem expenses such as those for maintenance, real estate taxes, property assessments, utilities, property insurance premiums and any property indebtedness are to be timely paid by the donor or primary beneficiary unless otherwise agreed to.
10. **Oil, Gas, and Mineral Interests:** The Foundation may accept oil, gas and mineral property interests, when appropriate. Prior to acceptance of their interests, the gift shall be approved in accordance with the gift acceptance review process, and if necessary, reviewed by the Foundation's legal counsel. Criteria for acceptance of the property shall include:
- a. Gifts of surface rights should have a value of \$20,000 or greater.
 - b. Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
 - c. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
 - d. A working interest is rarely accepted. A working interest may only be accepted where there is a plan to minimize potential liability and tax consequences.
 - e. The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.

Potential Environmental Risks. All proposed gifts of real property, including gifts from estates, must be accompanied by an Environmental Questionnaire pertaining to the property that has been completed by the donor (and/or counsel or family members in case of an estate gift). In addition, a Phase 1 Environmental Site Assessment (ESA) by a qualified engineer indicating that ownership will not expose the Foundation to environmental liabilities is required, typically at the donor's expense. The Foundation may choose to waive the ESA requirement for non-farm residential properties. The ESA must meet the then-current ASTM 1527 standard in effect.

The Foundation will require that all gifts of an interest in mining or oil and gas properties (and any other gift which the Foundation deems appropriate) to be inspected by a properly licensed or certified professional as may be required to demonstrate due diligence and care in accepting the property as free from contamination. Any such inspection shall be documented properly for legal reasons.

Limitations and Encumbrances. No gift of real estate may be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged.

Carrying Costs. The existence and amount of any carrying costs, such as property owner's association dues, transfer charges, taxes, and insurance, must be disclosed.

11. Life Insurance: The Foundation will only accept gifts of fully paid life insurance unless the donor agrees to make recurring premium payments either directly to the insurance company or by way of unrestricted cash contributions to the Foundation proximate in time to the due date of the premium. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy or fails to make gifts to cover premium payments after the Foundation has taken ownership of the policy, the Foundation may:
 - a. Continue to pay the premium; or
 - b. Convert the policy to paid up insurance; or
 - c. Surrender the policy for its current cash value; or
 - d. In the case of a term insurance policy, decline the gift.
12. Charitable Gift Annuities: The HIAS Foundation promotes all types of charitable gift annuities in partnership with the National Gift Annuity Foundation/Dechomai Foundation.
13. Tangible Personal Property. The Foundation may accept gifts of tangible personal property only upon approval of the Executive Director. The minimum value of such a gift shall be \$25,000.00. The donor must provide proof of ownership and a qualified appraisal performed within sixty (60) days of the gift proposal date. Gifts of tangible personal property shall only be accepted if they are readily marketable and are free and clear of encumbrances. If the Foundation intends to sell the contributed property, the Foundation should inform the donor in advance of accepting the gift.
14. Intellectual Property/Other Intangible Interests: The Foundation will consider gifts of intellectual property, such as royalties, copyrights, patents, contract rights and similar intangible interests, only upon approval by the Executive Director. The Foundation shall consider the appraised value of the intangible property, the administrative costs involved in accepting such a gift, and whether the donor agrees to assign all rights related to the intangible property. Prior to acceptance of the gift, the donor must provide proof or statement of ownership of the intangible property.
15. Charitable Remainder Trusts: Where the Foundation receives prior notice of an intention by a donor to name it as remainder beneficiary of a charitable remainder trust, it may choose to advise the donor that it may not accept the remainder interest if it will be restricted in a manner inconsistent with the Foundations' mission.
16. Charitable Lead Trusts: Where the Foundation receives prior notice of an intention by a donor to name it as a beneficiary of a charitable lead trust, it may choose to advise the donor that it may not accept the lead trust interest if it will be restricted in a manner inconsistent with the Foundation's mission.
17. Retirement Plan Beneficiary Designation: Donors and supporters of the Foundation will be encouraged to name the Foundation as a beneficiary of their retirement plans. Such

designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

18. **Bequests:** Donors and supporters of the Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
19. **Life Insurance Beneficiary Designation:** Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
20. **Bargain Sales:** The Foundation will consider bargain sales on a case-by-case basis. A bargain sale is a sale of property for less than its fair market value. The Foundation will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Foundation. All bargain sales must be reviewed and recommended by the Executive Director. Factors used in determining the appropriateness of the transaction include:
 - a. A determination by an independent appraisal, at the donor's expense, substantiating the value of the property.
 - b. A determination that the Foundation will use the property, or that there is a market for sale of the property allowing sale within twelve (12) months of receipt.
 - c. A calculation of the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
21. **HIAS Foundation Legacy Society:** Donors who provide written documentation of their intention to provide for the Foundation by Retirement Plan Beneficiary Designation, Bequest, or Life Insurance Beneficiary Designation, will be entitled to membership in the HIAS Foundation Legacy Society.

22. Unrestricted Planned Gifts

Any unrestricted planned gift designating the Foundation as the current or future beneficiary to be paid over to the Foundation upon the death(s) of the donor(s) shall be placed into the Foundation's unrestricted endowment.

23. Endowed Funds

Endowed funds are held in perpetuity, with the principal invested for long-term growth. The use of the income from endowed funds may be either unrestricted or restricted to a specific purpose. Income is determined by a spending policy set by the BOD and reviewed annually.

Use of the income must meet the restrictions set forth in the fund description. For that reason, fund descriptions and gift agreements must be written with care, preferably including as few restrictions as possible. When writing fund descriptions, it is important to consider whether the

fund will still be used in perpetuity. All new or updated fund agreements will include a contingency clause which provides the BOD the power to adjust fund agreements should they become impractical to administer in the future.

The BOD will consider different kinds of endowments:

- a. Unrestricted endowments: assets that can be spent, saved, invested, and distributed at the discretion of the Foundation.
- b. Term endowments: set up for a limited period of time, such as a fixed number of years or until a specific event occurs.
- c. Quasi-endowments: funds that have been designated by a donor or by the Foundation BOD to function as endowments but have been set up for a limited period of time, such as a fixed number of years or until a specific event occurs.
- d. Restricted endowments: funds that have been legally restricted by the donor to a specific purpose.
- e. True endowments: funds that are permanently restricted by the donor to a specific purpose.

24. Appraisals

Legal and ethical requirements, designed to protect both the donor and the Foundation, prohibit the Foundation itself from appraising gifts. Such appraisals are to be conducted by appraisers independent of the Foundation. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Foundation.

25. Ethics

The BOD shall assure itself that all philanthropic promotions and solicitations are ethical by adopting policies that prohibit the Foundation personnel and Board members from benefiting personally by way of commissions or other devices related to gifts received. The Directors Code of Conduct adopted by the BOD shall govern the administration of these Gift Acceptance Policies. Information concerning transactions governed by these Gift Acceptance Policies shall be held in strict confidence by the Foundation.

26. Miscellaneous Provisions

Valuation of gifts for development purposes. The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of the gift.

Gift liabilities: The Foundation will reimburse itself for the carrying costs associated with receiving a gift from the liquidation of the gift.

Responsibility for IRS Filings upon sale of gift items. The Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset except for cash or publicly traded securities sold within three years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies. The Foundation shall also cooperate with any donor who must file IRS Form 8283 to the extent that the signature by the Foundation as donee is required.

Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Foundation.

27. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the BOD of the Foundation. The BOD at its discretion may conduct periodic reviews of these policies and guidelines.

- Approved on the 28th day of August, 2023.

APPENDIX A
MODEL STANDARDS OF PRACTICE FOR THE
CHARITABLE GIFT PLANNER PREAMBLE

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these people represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. FULL DISCLOSURE

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity,

act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. COMPENSATION

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. COMPETENCE AND PROFESSIONALISM

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. CONSULTATION WITH INDEPENDENT ADVISORS

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

VII. CONSULTATION WITH CHARITIES

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to ensure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift

Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION OF GIFT

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. FULL COMPLIANCE

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity, and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on

Gift Annuities, May 7, 1991. Revised April 1999.

APPENDIX B

The Donor Bill of Rights was created by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), the Association of Fundraising Professionals (AFP), and the Council for Advancement and Support of Education (CASE). It has been endorsed by numerous organizations.

The Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.