

Arbutus Park Retirement Community

GIFT ACCEPTANCE POLICIES and PROCEDURES

I. GENERAL PRINCIPLES:

- A. Arbutus Park Retirement Community accepts gifts for the purposes of furthering its mission to offer diversified and high quality housing, health care and related services to elder residents so that a life style can be achieved where fulfillment is found in a secure, caring, and Christian environment.
- B. To earn the support and confidence of persons planning to make a gift, Arbutus Park Retirement Community needs the capability of responding quickly and in the affirmative where possible, to all gifts offered by prospective donors. Some gift arrangements and techniques can be complex and decisions to accept gifts will be made following an expeditious and careful consideration of the circumstances for each proposed gift. The policies allow the merits of a particular gift not otherwise stated in this document to be considered by the Development Committee and recommendation for acceptance or rejection of the gift made by the Committee to the Board of Directors.
- C. Arbutus Park Retirement Community will not accept any gift where it cannot meet, fulfill, or honor the donor's wishes.
- D. Arbutus Park Retirement Community will not participate in gift planning if there is a question as to whether the donor has sufficient title to the assets or whether the donor is mentally competent to legally transfer the property as a gift to Arbutus Park Retirement Community.
- E. Arbutus Park Retirement Community does not solicit gifts or market gift planning techniques as investments or securities. Arbutus Park Retirement Community will adhere to the *Model Standards of Practice for the Charitable Gift Planner* (Attachment A) adopted by the National Committee on Planned giving and the *Donor Bill of Rights* (Attachment B) adopted by the Association of Fund Raising Professionals.
- F. Activities of Arbutus Park Retirement Community Development Office and the organization's management will adhere to the ethical standards of The United Methodist Church as set forth in *The Book of Discipline of The United Methodist Church*.
- G. Any individual, company, or organization considered a "third party," working with Arbutus Park Retirement Community in the area of gift planning is expected to adhere to the same ethical and professional standards and guidelines as noted in items D and E above.
- H. Arbutus Park Retirement Community shall refuse gifts that are offered for purposes inconsistent with its mission. Arbutus Park Retirement Community shall not accept gifts with restrictions that violate Arbutus Park Retirement Community's ethical standards in any way or require discrimination based on race, color, gender, sexual orientation, age, religion, national or ethnic

origin, marital status, veteran status, or disability. Arbutus Park Retirement Community reserves the right not to accept gifts from which it will realize little or no financial gain and/or result in financial and/or legal burden to the organization.

- I. Gifts of liquid assets such as cash, checks, listed securities, etc., will be accepted routinely, so long as the purpose of the gift is appropriate to Arbutus Park Retirement Community's mission. Gifts of other kinds of property may pose potential problems if they will increase Arbutus Park Retirement Community's costs or engage Arbutus Park Retirement Community in activities inconsistent with its primary mission of providing housing, health care and related services for elder residents. While relatively few gifts will be subjected to scrutiny under the Gift Acceptance Process, gifts of real estate, tangible personal property or other liquid assets that are not immediately useful to Arbutus Park Retirement Community in its on-going programs are likely to receive the review as outlined in this document.
- J. Before a gift may be entered into Arbutus Park Retirement Community's accounting gift recording operations, it must be officially accepted by an appropriately charged officer of the institution such as the Administrator.

II. RESPONSIBILITY:

A. General Considerations:

1. Gift acceptance decisions are a matter of the Board of Directors. Although prospective donors may consult with the appropriate officers of Arbutus Park Retirement Community or outside experts, gift acceptance remains the final responsibility of the Board of Directors after review by the Development Committee and its recommendations.
2. Arbutus Park Retirement Community's goal is to encourage gift opportunities in which both Arbutus Park Retirement Community and the donor benefit. Arbutus Park Retirement Community shall conduct its affairs in a way that is ethical and consistent with its status as a not-for-profit entity as defined by the Internal Revenue Service.
3. Development staff especially in planned giving *may* provide donors with non-binding interpretations or information regarding potential tax and legal implications of gifts or proposed gifts, **always accompanied by the instruction to seek independent counsel. Donors should always be directed to seek their own independent legal and tax counsel.**

B. Fund Development Office:

1. Fund Development staff can describe to a prospective donor, *basic* information on the most well known giving devices available and their basic benefits or detriments.
2. Fund Development staff can work with financial professionals in coordinating estate planning seminars for the benefit of providing donors with information.
3. Staff encourages donors to seek independent legal and financial advice prior to making a gift, placing the donor's interest first.
4. Arbutus Park Retirement Community is often seeking support for particular purposes. However, the development staff encourages donors to make the purpose and destination of gifts clear, in writing, at the outset.
5. Fund Development staff provides donor acknowledgements.

C. Treasurer:

1. The Treasurer is responsible for performing necessary financial reviews to assess the acceptability of proposed gifts.
2. The Treasurer is responsible for ascertaining whether all gifts have the possibility of adverse publicity for Arbutus Park Retirement Community.

3. Following consultation with members of the Development Committee, the Treasurer, Administrator, and Chair of the Development Committee have final authority to execute documents accepting a proposed gift on behalf of Arbutus Park Retirement Community, subject to the limits established in the corporate By-Laws.
4. The Treasurer, with the advice and counsel of Development Committee members and after consultation with the appropriate Arbutus Park Retirement Community officials, such as the Administrator, Chair of the Development Committee, and members of the Executive Committee, shall recommend to the Board of Directors whether property accepted as a gift should be sold or retained by Arbutus Park Retirement Community.
5. The Treasurer is responsible for ensuring that Arbutus Park Retirement Community's outside financial relationships, whether with donors, prospects, brokers, or other entities, are free of conflicts of interest or the appearance of conflicts of interest.

D. Arbutus Park Retirement Community's General Solicitor:

1. Arbutus Park Retirement Community's General Solicitor is responsible for performing necessary legal reviews to assess the acceptability of the property offered as a gift.

E. The Development Committee:

1. The Development Committee is a standing committee.
2. A member of the Board of Directors shall serve as Chair of the Development Committee.
3. The Development Committee is responsible for reviewing gift proposals and addressing questions about proposed gifts.
4. The Chair of the Development Committee is responsible for informing the Board of Directors and all concerned Arbutus Park Retirement Community officials of the recommendations regarding gift acceptances or declines, etc.
5. The Chair of the Development Committee will ensure that gift proposals are resolved as quickly and efficiently as possible within the realm of a thorough review.
6. A quorum of 51 percent is required by the Development Committee for decisions regarding gift acceptance.

III. GIFT ACCEPTANCE PROCEDURES:

A. Outright Gifts:

1. Outright gifts of U.S. currency, checks, wire transfers, or payroll deduction, usually pose no difficulty for gift acceptance, and are credited at the actual cash value.
2. Suggested Gift Minimums:
 - a. Credit Cards: \$50.00 minimum gift.
 - b. Cash or Checks: No minimum.
3. Arbutus Park Retirement Community shall refuse gifts that are offered for purposes inconsistent with its mission. Arbutus Park Retirement Community shall not accept gifts with restrictions that violate Arbutus Park Retirement Community's ethical standards in any way or require discrimination based on race, color, gender, sexual orientation, age, religion, national or ethnic origin, marital status, veteran status, or disability. Arbutus Park Retirement Community reserves the right not to accept gifts from which it will realize little or no financial gain and/or result in financial and/or legal burden to the organization. If the donor does not provide a written statement or such statement is unclear as to the intended use, then Arbutus Park Retirement Community may utilize the monies and/or gifts in any fashion consistent with its mission statement.
4. To ensure compliance with the donor's wishes and for prompt processing, outright gifts are accompanied by the donor's written statement of purpose specifying intended uses and restrictions.

5. Checks are made payable to "Arbutus Park Retirement Community."

B. Pledges:

1. Pledges are recorded at face value, in keeping with the gift processing policies and procedures current at the time.
2. Pledge commitments must be written and include the amount of the pledge, the pledge period, the date of the first payment, and the frequency of payments. The written pledge must contain a statement of the gift designation and purpose.
3. Pledges payment time-lines follow the appropriate campaign. An annual gift has pledges payable with 12 months. Pledges for capital projects will vary for each project.
4. Pledges longer than the time-line for the project need to be reviewed and approved by the Development Director and Administrator.

C. Gifts of Foreign Currency:

1. Gifts made in foreign currencies are valued at the US dollar equivalent on the date the gift is received. This value is determined by the daily currency conversion rates listed in the Wall Street Journal.
2. Suggested Gift Minimum: Non-Canadian Foreign Currency: \$500.00
3. The Treasurer is responsible for currency conversion transactions, and for informing the Administrator and Development Office of the U.S. dollar amount of the gift.
4. The transaction fees resulting from converting foreign currency to U.S. dollars are charged to the operating budget to ensure that the full amount of the gift is applied to the purpose selected by the donor.
5. Arbutus Park Retirement Community reserves the right to refuse gifts of foreign currency that may violate Arbutus Park Retirement Community's ethical standards.

D. Gifts Received through Wire Transfer:

1. Gifts should be wired in U.S. currency. If not, the Treasurer converts such gifts to U.S. dollars, as stated in III C.
2. Donors wishing to transfer funds by wire are instructed to contact the Treasurer for wire transfer instructions.
3. If the donor's wire transfer does not indicate the purpose or designation of the gift, the Development Director makes every effort, and must be documented, to contact the donor to determine such purpose and designation. Funds will be used at the discretion of the Board of Directors.
4. The Development staff and/or Administrator immediately advise the Treasurer of any information about anticipated wire transfers.
5. At the request of the donor, fees resulting from wire transfers may be paid from Arbutus Park Retirement Community's operating account to ensure that the full amount of the gift is applied to the purpose selected by the donor.

E. Gifts of Life Insurance Policies:

1. Development staff and/or the Administrator anticipating gifts of life insurance policies need to inform the Treasurer. Except in extraordinary circumstances, life insurance policies must have paid-up cash value in order to be accepted.
2. For a gift of life insurance to be acceptable to Arbutus Park Retirement Community as a gift, the following criteria must be met:
 - a. Arbutus Park Retirement Community is designated irrevocable owner and beneficiary of the policy in order for life insurance to constitute a present gift.
 - b. Propriety of accepting life insurance gifts is established under the State laws of the prospective donors and respective insurance companies.
 - c. Term policies are not acceptable gifts.

- d. The policy insures the life of the donor, the donor's spouse, or another person approximately the same age as the donor. Policies insuring children of the donor are not acceptable and Arbutus Park Retirement Community must be the named beneficiary.
 - e. If the policy is paid-up at the date of the gift, Arbutus Park Retirement Community reports the cash surrender value of the policy as of the date of gift, not the policy's face value.
3. In instances where Arbutus Park Retirement Community is named only as the beneficiary, the Development Office tracks this arrangement in a way similar to that of bequest intentions; death benefits from such policy will be received and used identically as bequests.
 4. When the death benefit is paid from a policy in which Arbutus Park Retirement Community is named as a beneficiary, but was not previously the owner, the full amount received is recorded as an outright bequest.
 5. The donor must state the purpose or designation of the gift at the time the policy is donated or executes an agreement governing the gift.

F. Gifts of Publicly Traded Stock and Securities:

1. The minimum value of equity securities that will be accepted as a gift is \$500.00 at current market value on the date of delivery. Donors wishing to donate securities valued at less than \$500.00 at current market value are encouraged to sell them and donate the proceeds.
2. Debt securities that will mature are acceptable as gifts regardless of maturity date. The Development Committee decides acceptance of non-liquid securities. The Development Director submits a proposal to the Committee similar to that for gifts of real estate. (See below for description.)
3. If the donor possesses the certificates and the security is in his or her name:
 - a. The donor sends the unendorsed certificates using certified mail to:
 Administrator
 Arbutus Park Retirement Community
 207 Ottawa St.
 Johnstown, PA 15501
 - b. The donor needs to include a letter of transmittal with the certificates stating the designation of the gift, intended use, and restrictions.
 - c. Sent separately to the same address, the donor should send a stock/bond power of attorney obtainable from the donor's broker. The donor signs the stock power in blank and has his or her signature guaranteed. The donor also may contact the Treasurer for detailed instructions. The donor needs to enclose a copy of the letter transmitting the securities with the stock power.
 - d. Arbutus Park Retirement Community strongly discourages certificates delivered by courier or in person.
4. The donor may also inform the Development Director of his or her willingness to make a gift of securities by electronic transfer. The following steps must be taken:
 - a. The donor contacts his or her broker to inform the broker of the gift. (*Donor Letter to Broker*, Attachment C.)
 - b. The Development Director asks the donor to write a letter stating the purpose and designation of the gift. (*Cover Letter to Prospective Donor*, Attachment D.)
 - c. If the donor is unwilling to write such a letter, the Development Director must write to the donor confirming the gift and the designation based upon the conversation with the donor. The donor can then indicate his or her approval of the designation and purpose of the gift by signing the letter and returning it in an envelope provided by Arbutus Park Retirement Community's Development Office.

- d. The Development Director asks the donor's broker to contact the Treasurer to determine when the stock will be transferred, and to provide information needed to accomplish the transfer. (*Arbutus Letter to Broker*, Attachment E and *Arbutus Sell Order to Broker*—if applicable, Attachment F.)
 - e. A Certificate of Corporate Authorization to Transfer/Sell Securities is required and is sent by the Treasurer's office. (*Certificate of Corporate Authorization*, Attachment G.)
 - f. The Development Director coordinates with the Treasurer's office to determine that the gift has been credited to the proper designation(s).
 - g. The Development Director sends the letter verifying the electronic transfer, in concert with the Treasurer, to the donor. (*Acknowledgement of Gift to Donor*, Attachment H.)
5. For gifts of securities, the Development Director will notify the Treasurer's office with information that includes: (*Information Sheet of Transfer of Appreciated Securities*, Attachment I.)
- a. Full identification of the donor, including name and address, to ensure that the gift is credited to the proper donor.
 - b. Source of notification: donor, broker, or other source.
 - c. Form of gift: stocks, bonds, debentures, warrants, options, etc.
 - d. Description of gift including the name of the company issuing the securities and the number of shares.
 - e. Designation of the gift.
 - f. Valuation of the gift.
 - g. Date of valuation and basis for date assigned.
6. If the donor of a gift of stocks received electronically is not identified, then the following steps are taken:
- a. The Development Director makes every reasonable effort, efforts must be documented, to trace the transfer to the brokerage firm that sent the stock.
 - b. If the donor of a stock gift cannot be identified within 20 business days, the gift is recorded as anonymous and unrestricted.

G. Gifts of Real Property (Real Estate):

1. Real property includes improved and unimproved land, residences, condominiums, apartment buildings, rental property, commercial property, and farms.
2. Prospective donors of real property are given a Real Property Disclosure Checklist (*Checklist for Gifts of Real Property to Arbutus*, Attachment J) by the Development Director seeking information about the property from the donor. Upon receipt of this information from the donor the offices of the Solicitor and the Treasurer proceeds with due diligence to promptly assess the gift opportunity.
3. The suggested minimum estimated value for an acceptable gift of real estate is \$25,000.00, when real property has an estimated value of less than \$25,000.00, the donor is encouraged to sell it and donate the proceeds. The location of the property can affect the acceptable minimum--reducing or increasing it. Real property shall be given in "fee simple," without restrictions as to its use.
4. The Development Director acts as the potential donor's representative in the gift acceptance process by preparing a written gift proposal for consideration by the Development Committee.
5. The donor is directed to seek independent counsel to address tax-related issues.
6. The donor must be informed that Arbutus Park Retirement Community may sell all gifts of real estate as soon as possible.
7. Arbutus Park Retirement Community retains the right to refuse a gift during negotiations without incurring cost or liability.

8. The donor must understand that unless otherwise previously agreed to in writing, Arbutus Park Retirement Community has the right to dispose of its property as it deems appropriate from the first day of Arbutus Park Retirement Community ownership. Marketability of the property is the criterion for acceptance of the gift.
9. The donor must be told that Arbutus Park Retirement Community will attempt to sell the property at a reasonable price consistent with current market conditions. The donor must also be told that any sale occurring within two years of the date of the gift is reported to the IRS as required by law.
10. To initiate the gift acceptance process for a proposed gift of real estate, the Development Director submits a proposal to the Development Committee. The proposal provides the following information:
 - a. Donor's name and address.
 - b. Gift designation, if any.
 - c. An appraisal of the property, conducted in accordance with IRS and the Appraisal Institute, provided by the donor.
 - d. If appropriate, a Phase I environmental audit performed at the donor's expense. If the donor has resided at the property for fifteen years or more, or the property has been residential for at least 15 years, the Treasurer may waive this requirement.
 - e. The existence and amount of any carrying costs, such as property owner's association dues, country club memberships, taxes, insurance, and liens where possible, etc.
 - f. A statement of any restrictions requested by the donor concerning the disposition of the property, such as how long it should be held prior to sale.
 - g. As a courtesy to the donor, the Development Director may submit the plan for selling the property and a statement of price considerations. **NOTE: The donor will not engage in negotiations with the buyer, as the IRS is likely to say that the donor sold the property, not Arbutus Park Retirement Community. Thus, the donor will be liable for capital gains tax on appreciation.**
11. The Development Committee reviews the proposal as outlined in G.10 above. After appropriate consultation, the Committee determines whether to recommend Arbutus Park Retirement Community to accept the property.
12. The Treasurer's office directs Arbutus Park Retirement Community's Solicitor to review any documents, deeds, or studies of the proposed gift property to determine legal sufficiency. The owner of the property is expected to represent and to warrant the following:
 - a. He or she is the rightful owner of the property and has unencumbered right to dispose of the property.
 - b. No violations of state, local, or federal law exist on the property.
 - c. No restrictions or conditions exist within the title.
 - d. There are no unrecorded rights of way, easements, or encumbrances attached to the property.
 - e. There are no contractual or other donative commitments to other individuals, corporations, or groups attached to the property.
 - f. The property is neither the subject of nor threatened with litigation nor may be the subject of a filed or pending condemnation proceeding.
13. As part of the review, the Treasurer's office ascertains the following:
 - a. Environmental status including, if appropriate, a verified copy of a Phase I environmental audit submitted by the donor.
 - b. Possibility of adverse publicity for all gifts to Arbutus Park Retirement Community if accepted.

14. If deemed necessary, Arbutus Park Retirement Community's Solicitor may suggest that a personal inspection of the property be completed to ensure that it has been accurately represented and that it is accessible by road.
15. The expenses related to this review, including travel, are deducted from the proceeds of the sale of the property.
16. After careful consideration of the acceptability of the property, the legal review by Arbutus Park Retirement Community's Solicitor and the proposal submitted by the Development Director, the Treasurer, and Chair of the Development Committee recommend to the Board of Directors:
 - a. Whether or not to accept the proposed gift.
 - b. Whether or not to accept any of the donor's proposed restrictions on the gift.
17. If the Board of Directors decides to accept the gift, the Treasurer retains the property for Arbutus Park Retirement Community's use or dispose of it in accordance with Arbutus Park Retirement Community's policy.
18. The Development Director informs the donor of the recommendation of the Development Committee and the action of the Board of Directors about the proposed gift and any modifications in the proposed conditions for making the gift. If the gift is accepted, the Development Director acknowledges the gift in accordance with Arbutus Park Retirement Community's policy on gift acknowledgement and stewardship of donors.
19. Arbutus Park Retirement Community shall **not** appraise or assign a value of the gift property. It is the donor's responsibility to establish a value for the gift and to provide, at the donor's expense, a qualified appraisal as required by the IRS. **(The exception is in cases where appraisal is of property to fund a life income gift. Then Arbutus Park Retirement Community must get the appraisal.)**
20. The donor needs to complete IRS Form 8283 (*Non-cash Charitable Contributions*, Attachment K). Arbutus Park Retirement Community's Treasurer needs to complete and file IRS Form 8282 (*Donee Information Return*, Attachment L) and any additional forms as required. Arbutus Park Retirement Community's Treasurer needs to review the IRS Form 8283 completed by the donor because the form requires donee acknowledgement and signature.
21. The Treasurer's office reports the decision to accept a gift of real property to Arbutus Park Retirement Community's Development Office. The Development Office will record the appraised value of the gift on the donor's record.

H. Gifts of Tangible Personal Property:

1. Tangible personal property includes but is not limited to:
 - a. Books
 - b. Jewelry
 - c. Automobiles
 - d. Boats
 - e. Computer Equipment
 - f. Animals
 - g. Furniture
 - h. Works of Art
 - i. Manuscripts and Archival Materials
2. If proposed gifts of tangible personal property are of historical interest or use to Arbutus Park Retirement Community, they are retained as part of Arbutus Park Retirement Community's collection. Gifts of little artistic value or those lacking historical significance are discouraged. Marketability of the gift, should it be retained for use by Arbutus Park Retirement Community, is a criterion for gift acceptance.

3. Without the written approval of the Treasurer, gifts of tangible property such as paintings or other works of art, jewelry, furniture, or collections shall not be accepted if made on the condition or expectation that the items will permanently exhibited or that the collection will be maintained as such.
4. The suggested minimum value of a gift of tangible personal property intended to be sold is \$10,000.00. When the estimated value of any proposed gift is less than \$10,000.00 the donor is encouraged to sell the property and donate the proceeds.
5. If the proposed gift items are of special interest to Arbutus Park Retirement Community, minimum value of \$10,000.00 may be waived.
6. The Development Director contacts the Administrator of Arbutus Park Retirement Community to determine whether the property is of value to Arbutus Park Retirement Community and if it should be retained.
7. If the proposed items are of interest to Arbutus Park Retirement Community, then the Development Director with the assistance of the Administrator and Treasurer submits a proposal to the Development Committee.
8. The proposal contains, at least, the following information:
 - a. A description of the proposed gift material, including its physical dimensions.
 - b. An estimate of storage or transportation costs, maintenance and up-keep, and any other expenses related to accepting the proposed gift.
 - c. A brief statement of its historic or artistic value.
 - d. An assessment of the possibility of any adverse publicity for Arbutus Park Retirement Community if the gift is accepted.
 - e. Any special arrangements or stipulations requested by the donor as a courtesy.
 - f. A qualified appraisal supplied by the donor if the value of the gift is estimated to be over \$5,000.00.
 - g. A statement regarding the marketability of the proposed gifts and how the gift should be sold to realize its full value.
9. The Development Committee meets and reviews the proposal.
10. The Development Committee decides if the gift will be accepted. The Treasurer, with the advice and counsel of the Development Committee members, recommends to the Board of Directors whether or not to accept the gift.
11. The office of the Treasurer notifies the Fund Development Office, Arbutus Park Retirement Community's Solicitor, and the Administrator of the acceptance of the gift. The Development Director records the appraised value of the gift on the donor's record.
12. If the gift is accepted, the Development Director prepares an acknowledgement letter for the donor.
13. It is the donor's responsibility to establish a value for the gift and to provide, at the donor's expense, a qualified appraisal if required by the IRS.
14. The costs of delivery to Arbutus Park Retirement Community and related expenses shall be the responsibility of the donor.
15. The donor is responsible for filing any required IRS forms, except that the Treasurer shall complete a Form 8282 as noted in item G.20 above.
16. If the proposed gift is not of historic or artistic interest to Arbutus Park Retirement Community, and its estimated value is less than \$10,000.00, the donor is encouraged to sell the property and to donate the proceeds to Arbutus Park Retirement Community.
17. If the estimated value of the property is greater than \$10,000.00, and it has been determined not to be of historic or artistic value to Arbutus Park Retirement Community, then the Development Director's proposal to the Development Committee addresses the issue of why it might be desirable for Arbutus Park Retirement Community to accept the gift.

I. Gifts of Other Assets:

1. Other assets include but are not limited to such items as:
 - a. Promissory Notes
 - b. Assignment of Promissory Notes
 - c. Patents, Royalties, Trademarks, and Copyrights
 - d. Professional Practice (medical or legal)
 - e. Partnership Interest
 - f. Stock in closely held or private corporations
2. The difficulty inherent in establishing the acceptability of this class of assets places additional importance on a thorough review of such gift proposals performed by the Arbutus Park Retirement Community's Solicitor and the Treasurer's offices. In particular, the Treasurer reviews the marketability of the gift, the potential carrying costs associated with it, and the potential exposure of Arbutus Park Retirement Community to unrelated business income tax liability.
3. If the proposed gift is estimated to be worth less than suggested minimum of \$50,000.00, the donor is encouraged to dispose of it and donate the proceeds to Arbutus Park Retirement Community. Exceptions, especially for stock and notes, may be granted after review.
4. If a potential donor proposes making a gift of one of the classes of assets listed above, the Development Director submits a proposal to the Administrator for review by the Development Committee. The proposal provides, at least, the following information:
 - a. Donor's name and address.
 - b. Gift designation, if any.
 - c. Description of the asset.
 - d. An estimate or appraisal of the asset's fair market value and marketability.
 - e. The existence and amount of any carrying costs.
 - f. Credit history or financial statement of the donor. (The Arbutus Park Retirement Community's Solicitor may waive this requirement if the donor is well known to Arbutus Park Retirement Community.)
 - g. A statement of any special arrangements requested by the donor concerning the disposition of the asset, such as how long it should be held prior to sale, potential buyers, and price considerations.
 - h. A statement outlining how the asset should be sold to realize its full value.
5. The Treasurer asks Arbutus Park Retirement Community's Solicitor to review the legal ramifications of accepting the proposed gift.
6. After careful consideration of the review done by Arbutus Park Retirement Community's Solicitor, the proposal submitted by the Development Director and the Treasurer's marketability review of the proposed gift is submitted to the Development Chair to decide:
 - a. Whether or not to recommend acceptance of the proposed gift.
 - b. Whether or not to recommend acceptance of any of the donor's restrictions on the gift.
7. When the gift is accepted, the Development Director acknowledges it in accordance with Arbutus Park Retirement Community's Fund Development policy on gift acknowledgement and stewardship of donors.
8. Arbutus Park Retirement Community will **not** appraise or assign a value for the gift property. It is the donor's responsibility to establish a value for the gift and to provide, at the donor's expense a qualified appraisal if required by the IRS. Filing of Forms 8283 and 8282 are performed in accordance with the policy set forth in item G.20. above.
9. The Treasurer reports the decision of the Board of Directors to the Development Office. If the gift is accepted, the Development Office records the appraised value of the gift on the donor's record.

J. Gifts Received through Estates and Trusts:

1. Gifts include, but are not limited to:
 - a. Bequests
 - b. Charitable Life Income Gifts
 - c. Charitable Lead Trust Gifts
 - d. Retained Life Estate Gifts
2. The Development Committee relative to cost and benefit to Arbutus Park Retirement Community evaluates proposed gift agreements for individually managed trusts.
3. Arbutus Park Retirement Community may have a third party, such as the United Methodist Foundation of the Western Pennsylvania Conference, establish and manage donor trusts and write donor annuity contracts for Arbutus Park Retirement Community. Arbutus Park Retirement Community will have a formalized agreement with a reputable third party that is administered by the Treasurer.
4. External management and custodial fees attributable to individual trusts are paid by Arbutus Park Retirement Community or charged to the trust as determined by the Treasurer.
5. Any revision to a donor's trust agreement and annuity contract required for these gifts to qualify under federal law for charitable deductions are made and paid for by the donor's estate.
6. Direct, unrestricted bequests usually do not require review of the Development Committee, except as they are of non-cash or non-outright gift categories. In these cases, the decision of whether or not to accept will be based on policies set forth within this document for outright or split-interest gifts of cash or property in the same categories.
7. The Development Committee will review bequests for specific purposes, including endowment, and the Committee Chair will ensure that the provisions of these bequests are implemented in accordance with existing Arbutus Park Retirement Community policy and practice.

IV. SUGGESTED GIFT MINIMUMS:

- A. The time and effort needed to accept and process gifts ultimately diminishes the financial gain realized from a gift. To ensure that every gift makes a contribution to Arbutus Park Retirement Community, it is necessary to establish threshold for gifts:
 1. Credit Cards: \$50.00 minimum gift
 2. Cash or Checks: No minimum
 3. Publicly Traded Securities: \$500.00
 4. Foreign Currency: \$500.00
 5. Tangible Personal Property: \$10,000.00
 6. Other Assets: \$50,000.00
 7. Real Estate: \$25,000.00
 8. Life Insurance: If the policy is paid-up, no minimum
 9. Planned and Deferred Gift Minimums:
 - a. Individual Charitable Remainder Trusts (Unitrusts and Annuity Trust): \$50,000.00
 - b. Charitable Lead Trusts: \$50,000.00
 10. Pooled Income Funds:
 - a. Initial Gifts: \$5,000.00
 - b. Additional Gifts: \$1,000.00
 11. Gift Annuities: \$5,000.00 initial gift; \$1,000.00 additional annuities on same schedule
 12. Minimum age of beneficiary is 55 years with exception that there is no age minimum for lump-sum option deferred payment charitable gift annuities.

V. ENDOWMENTS:

- A. Restrictions on endowments must be consistent with Arbutus Park Retirement Community's mission. Such restrictions cannot violate Arbutus Park Retirement Community's ethical standards in any way, or require discrimination based on race, color, gender, sexual orientation, age, religion, national or ethnic origin, marital status, veteran status, or disability.
- B. Restrictions on endowments ultimately decrease their contribution to Arbutus Park Retirement Community's finances by the amount of time and effort needed to manage such restrictions.
- C. Arbutus Park Retirement Community will **not** accept an endowment that it cannot honor or maintain in good faith, the wishes of the donor.
- D. In general, it is the policy of Arbutus Park Retirement Community to limit the restrictions placed on endowments by donors. Both the donor and Arbutus Park Retirement Community need to agree on the restrictions and both parties need to sign an agreement letter detailing the restrictions agreed upon and accepted by both parties.
- E. Suggested minimum gift amounts to establish and name an endowment in accordance with the donor's wishes and the constraints of Arbutus Park Retirement Community's budget will be reviewed on a case-by-case basis. At the time of establishing this document, interest rates are at a record low (a couple of percentage points, at best) thus endowments are not generating sufficient interest to feed the programs they were created for years or decades ago. Donors are encouraged to establish a named fund or provide a major gift in support of a program, activity, or service over a specified period of time such as three or five years.

VI. PERIODIC REVIEW AND REVISIONS OF POLICIES AND PROCEDURES:

- A. The Gift Acceptance Policies and Procedures (GAPP) will be reviewed at least annually by the Development Committee for needed additions, modifications, etc.,
- B. The Development Director, Development Chair, Treasurer, and the Arbutus Park Retirement Community's Solicitor in consultation with the Administrator shall submit recommended revisions and refinements of this policy to the Development Committee for their approval by majority vote.
- C. Any proposed changes of this policy will be reviewed by members of the Development Committee and forwarded to the Board of Directors for approval by majority vote.

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First Review by Development Committee, August 11, 2005

Second Review by Development Committee, September 8, 2005

Legal Review conducted by Amy E. Bentz of Bentz Law Firm, P.C. on September 14, 2005

Third Review and Approved by Development Committee, October 13, 2005

Submitted to Board of Directors on December 5, 2005 for their approval

Accepted, Voted, and Approved by Arbutus Board of Directors on December 5, 2005.

FD/fd