



DOLPHIN SCHOLARSHIP FOUNDATION

Gift Acceptance Policy September 2022

BACKGROUND AND PURPOSE

Dolphin Scholarship Foundation (DSF) solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. DSF does not provide personal legal, financial, or other professional advice to donors and encourages 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 of such gifts. The following policies and guidelines govern acceptance of gifts made to DSF for the benefit of any of its operations, programs, or services.

OBJECTIVE

This Gift Acceptance Policy sets forth the guidelines for the terms and conditions on gifts to the DSF.

DUTIES AND RESPONSIBILITIES FOR THE POLICY

Board of Directors

The DSF Board of Directors, with the advice of the Finance Committee, shall determine, interpret, and implement the Gift Acceptance Policy.

Executive Director

On behalf of DSF, the Executive Director shall accept donations which comply with this Policy. If a proposed gift is not addressed in this Gift Acceptance Policy, the Executive Director shall seek guidance from the DSF President.

GIFT ACCEPTANCE POLICY AND GUIDELINES

General

All gifts of cash, checks, electronic fund transfers and payments on credit cards may be accepted and shall be promptly deposited in the DSF checking account by the Financial Administrator.

The Executive Director will ensure that all gifts to DSF are acknowledged within two business days of receipt unless the donor specifies otherwise, or the donor's contact information is not readily available.

Donors will be recognized in DSF publications and on DSF social media sites unless the donor advises DSF otherwise.

Any gift subject to conditions or restrictions must be approved by the Board of Directors in consultation with the Finance Committee.

Legal Advice:

DSF 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 DSF as trustee or requiring DSF to act in any fiduciary capacity.
- C. Gifts requiring DSF to assume financial or other obligations.
- D. Transactions with potential conflicts of interest.
- E. Gifts of property which may be subject to environmental hazards or other regulatory restrictions.

Restrictions on Gifts:

Any gift subject to conditions or restrictions must be approved by the Board of Directors in consultation with the Finance Committee. It is the policy of DSF to encourage unrestricted gifts in order to assure that all available scholarship funds can be awarded each year to deserving students. Restrictions may be accepted on the donor's agreement that if there are no applicants who meet the specific eligibility requirements for a particular scholarship, the scholarship may be awarded to an applicant who is otherwise eligible to receive a DSF Scholarship.

DSF will not accept gifts that:

- A. Would result in a violation of the DSF corporate charter or its policies.
- B. Jeopardize the status of DSF as a tax-exempt not-for-profit organization under IRC Section 501 (c) (3).

- C. Are too difficult or too expensive to administer in relation to their value.
- D. Would result in any unacceptable consequences for DSF.
- E. Are inconsistent with the mission of DSF.

Gifts Generally Accepted Without Review:

- A. Cash. Gifts of cash or cash equivalent whether by check, money order, credit card, or on-line are acceptable. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, American Express), card number, expiration date, and name of the card holder as it appears on the credit card.
- B. Securities. Securities that are traded on a major U.S. exchange or other publicly reported market may be accepted. 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.

Securities will be sold within 7 to 14 days of receipt unless deemed by the Finance Committee to be appropriate within the overall investment strategies of DSF. Securities will be valued at the average of the high and low quoted selling price during the day of receipt or the most recent day when sales of the security occurred.

The Board of Directors, in consultation with the Finance Committee, must determine whether to accept marketable securities which are subject to any restrictions and securities of closely held corporations. Closely held stock with a gift value of greater than \$10,000 shall be recorded at the value placed on the gift by a qualified independent appraiser obtained and paid by the donor.

- C. Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans. Donors are encouraged to make bequests to DSF under their wills, and to name DSF as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.
- D. Qualified Charitable Distributions (QCDs) from Individual Retirement Accounts (IRAs).
- E. Charitable Remainder Trusts. DSF will accept designation as a remainder beneficiary of charitable remainder trusts.
- F. Charitable Lead Trusts. DSF will accept designation as an income beneficiary of charitable lead trusts.

Gifts Accepted Subject to Prior Review:

Certain forms of gifts or donated properties shall be subject to review prior to acceptance.

Examples of gifts subject to prior review include, but are not limited to:

- A. **Tangible Personal Property.** The Finance Committee shall review and determine whether to accept any gift of tangible personal property in light of the following considerations:
 1. Does the property further the organization's mission?
 2. Is the property marketable?
 3. Are there any unacceptable restrictions imposed on the property?
 4. Are there any carrying costs for the property for which the organization may be responsible?
 5. Is the title/provenance of the property clear?

Gifts of tangible personal property including, but not limited to, works of art, jewelry, manuscripts, literary works, boats, motor vehicles, computer hardware, furniture, and equipment will be accepted only if the property is determined to be both readily marketable and valued in excess of \$500. Gifts with a value of greater than \$500, but less than \$5000 shall be reported at the value placed on them by the donor and must be accompanied by the appropriate IRS form.

Gifts of tangible personal property with values greater than \$5000 shall be reported at the value determined by a qualified independent appraiser, in accordance with IRS guidelines. The donor is responsible for obtaining and paying for an independent appraisal and must submit required IRS forms and a copy of the appraisal to DSF as a part of the gift acceptance process.

- B. **Life Insurance Policies.** DSF will accept gifts of life insurance policies where DSF is named as both primary beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- C. **Real Estate.** All gifts of real estate are subject to review by the Finance Committee. Prior to acceptance of any gift of real estate, DSF shall require an environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the DSF may require the donor to retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include:
 1. Is the property useful for the organization's purposes?
 2. Is the property readily marketable?
 3. Are there covenants, conditions, restrictions, reservations, easements, encumbrances, or other limitations associated with the property?

- 4. Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
 - 5. Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
- D. Gifts of business interests such as limited liability companies and non-publicly traded stock.
- E. Other Intangible Property. Other non-tangible property of any description including mortgages, notes, copy rights, patents, royalties, easements shall only be accepted by action of the Board of Directors.

ADOPTION OF POLICY STATEMENT

The Board of Directors reviewed, approved, and adopted this Gift Acceptance Policy effective September 7, 2022.

Dolphin Scholarship Foundation:

By:

Charles J. Beers, Jr

9/7/2022

RADM Charles J. Beers Jr., USN (Ret.), President

Date

Colleen Houston

9/9/22

Colleen Houston, Chairperson

Date