



Gift Acceptance Policy

Lighthouse Writers Workshop (Lighthouse), a not for profit organization under the laws of the State of Colorado, encourages the solicitation and acceptance of gifts to Lighthouse for purposes that will help Lighthouse to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to Lighthouse or for the benefit of any of its programs.

The mission of Lighthouse Writers Workshop is to be a community-based center for the art and craft of writing, empowering writers and readers, youth and adult, to engage, connect and transform.

I. Purpose of Policies and Guidelines

Lighthouse relies on charitable contributions to fulfill its mission. The Lighthouse board of directors and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of the organization. These policies and guidelines govern the acceptance of gifts by Lighthouse and provide guidance to prospective donors and their advisors when making gifts to Lighthouse. The provisions of these policies shall apply to all gifts received by Lighthouse for any of its programs or services.

II. Use of Legal Counsel

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

- 1) Closely held stock transfers that are subject to restrictions of buy-sell agreements.
- 2) Documents naming Lighthouse as Trustee.
- 3) Gifts involving contracts or other documents requiring Lighthouse to assume an obligation.
- 4) Transactions with potential conflict of interest that may invoke IRS sanctions.
- 5) Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee of Lighthouse Writers Workshop.

III. Conflict of Interest

Lighthouse will encourage prospective donors to seek the assistance of personal legal or financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Lighthouse complies with and is guided by the Association of Fundraising Professionals' *Donor Bill of Rights*, attached to this document.

IV. Restrictions on Gifts

Lighthouse 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. Lighthouse 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, or gifts that are for purposes outside the mission of the organization. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee.

V. The Gift Acceptance Committee of Lighthouse Writers Workshop

The gift acceptance committee shall consist of:

- 1) the president of Lighthouse;
- 2) the treasurer of Lighthouse;
- 3) one member of the executive committee, appointed by the president;
- 4) one member of the development committee, appointed by the development director;
- 5) such other members as appointed by the president; and
- 6) ex-officio members shall include the executive director and the development director of Lighthouse Writers Workshop.

The gift acceptance committee is charged with the responsibility of reviewing all gifts made to Lighthouse, properly screening and accepting those gifts, and making recommendations to the board on gift acceptance issues when appropriate.

VI. **Types of Gifts**

The following gifts are acceptable (with criteria as outlined below):

- Cash.
- Tangible Personal Property.
- Securities.
- Remainder Interests in Property.
- Life Insurance.
- Charitable Remainder Trusts.
- Charitable Lead Trusts.
- Retirement Plan Beneficiary Designations.
- Bequests.
- Life Insurance Beneficiary Designations.

The following criteria govern the acceptance of each gift form:

- 1) **Cash.** Cash is acceptable in any form with checks made payable to Lighthouse Writers Workshop and delivered to the development director at 2123 Downing Street, Denver, Colorado 80205.
- 2) **Tangible Personal Property.** All gifts of tangible personal property such as furniture, supplies, or other goods shall be examined in light of the following criteria:
 - Does the property help fulfill the mission of Lighthouse?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?

Gifts of furniture to be used at Lighthouse as part of the literary center are subject to approval of their intended and practical use. Prospective donors should email a photo of the item(s) to the development director prior to making the gift. The gift acceptance committee of Lighthouse shall make the final determination on the acceptance of other tangible gifts. Accepted gifts of tangible property should be delivered to Lighthouse at the donor's expense.

- 3) **Securities.** Lighthouse can accept only publicly traded securities. Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the board of directors. 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 by the Gift Acceptance Committee.

- 4) **Remainder Interests in Property.** Lighthouse will accept a remainder interest in a personal residence, farm, or vacation property subject to the criteria below. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, Lighthouse may use the property or reduce it to cash. Where Lighthouse receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of Lighthouse and/or help to fulfill its mission?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

- 5) **Life Insurance.** Lighthouse must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, Lighthouse will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, Lighthouse may:
 - continue to pay the premiums;
 - convert the policy to paid up insurance; or
 - surrender the policy for its current cash value.

- 6) **Charitable Remainder Trusts.** Lighthouse may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee. Lighthouse will not accept appointment as trustee of a charitable remainder trust.
- 7) **Charitable Lead Trusts.** Lighthouse may accept a designation as income beneficiary of a charitable lead trust. The Board of Lighthouse will not accept an appointment as Trustee of a charitable lead trust.
- 8) **Retirement Plan Beneficiary Designations.** Donors and supporters of Lighthouse Writers Workshop will be encouraged to name Lighthouse as beneficiary of their retirement plans. Such designations will not be recorded as gifts to Lighthouse 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.
- 9) **Bequests.** Donors and supporters of Lighthouse Writers Workshop will be encouraged to make bequests to Lighthouse under their wills and trusts. Such bequests will not be recorded as gifts to the organization 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.

- 10) **Life Insurance Beneficiary Designations.** Donors and supporters of Lighthouse will be encouraged to name Lighthouse as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the organization 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.

VII. **Miscellaneous Provisions**

Securing appraisals and legal fees for gifts to Lighthouse. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to Lighthouse.

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

Responsibility for IRS filings upon sale of gift items. The gift acceptance committee of Lighthouse Writers Workshop is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by Lighthouse when the charitable deduction value of the item is more than \$5,000. Lighthouse 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.

Acknowledgement of all gifts made to Lighthouse and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the board of directors. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* are attached to these policies as an Appendix.

VIII. **Changes to Gift Acceptance Policies**

These policies and guidelines have been reviewed and accepted by the Gift Acceptance Committee of Lighthouse Writers Workshop. The Gift Acceptance Committee must approve any changes to, or deviations from, these policies.

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 assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. 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.
2. 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.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.