

## GIFT ACCEPTANCE POLICY

This policy statement is designed to ensure that all gifts to, or for the use of, Lansing Christian School Foundation are structured to provide maximum benefits for both the donor and the LCS Foundation. Donors are advised to seek their own legal counsel to assist them in the process of making their gift.

The LCS Foundation accepts many types of gifts including cash, securities, real estate, insurance, real property, tangible personal property and even entire corporations. Because of the unique nature of some assets, the Foundation reserves the right to accept or refuse a gift.

Many types of assets may be used to provide gifts for the School through the LCS Foundation. A variety of giving methods allow donors to choose the most appropriate for their circumstances and interests.

## TYPES OF GIFTS

### Outright Gifts

Outright gifts are those placed with the Foundation for the immediate disposal by the School, and in which the donor retains no interest. They may be either restricted or unrestricted in purpose.

### Cash Gifts

The most frequent method to make a gift to the Foundation for LCS is a check. Checks should be made payable to the Lansing Christian School Foundation and mailed or delivered to:

LCS Foundation  
3405 Belle Chase Way  
Lansing, MI 48911

### Pledges

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. Pledges must have written documentation that contains the following:

- The amount of the pledge must be clearly specified
- There should be a clearly defined payment schedule
- There shall be no contingencies or conditions
- The donor must be considered financially capable of making the gift
- The acknowledgement associated with the pledge shall be removed if for any reason the pledge is not completed within the agreed upon payment schedule or in a new payment schedule is not determined.

### *Pledge recording policies*

- Anticipated matching gifts will not be included in pledge amounts
- Pledges and expected matching gifts will qualify separately for donor recognition in appropriate giving level groups.
- For gift recognition purposes, donors will not be recognized publicly until the pledge is paid in full.
- In the event of death, pledge balances will be written off unless there are provisions in the donor's will or the family has indicated intent to complete the pledge.
- All requests to deactivate a pledge must be presented to the Foundation director.

### **Endowment Funds**

The Foundation may approve the establishment of a special purpose endowment fund upon receipt of gifts or commitments that meet the approved funding levels and criteria established for the endowment. There are several types of endowments.

Scholarships - An endowed scholarship may be established with a minimum endowment of \$25,000.

Others - The Foundation will work with prospective donors on the terms and conditions of other endowment funds provided they support traditional academic activities or functions. An endowment may be established with a minimum commitment of \$25,000. In all cases, the establishment of any endowment fund requires the approval of the Foundation president. The Foundation president must approve any exceptions to the above guidelines.

Because conditions change over time, all endowment instruments contain the following contingency clause:

If circumstances should arise in the future that make it illegal, impossible, or impracticable to use the gift for the purpose specified above, then the Director of the Foundation or the Superintendent of the School may submit a request for modification of this purpose to the Board of Directors Lansing Christian School Foundation. If, in the best judgment of the Directors, such modification is deemed prudent and in keeping with the original intent of the donor, they may authorize the use of the spendable income from the Fund for the modified purpose. In the event of such modification, the name of the donor will continue to be associated with the fund.

### **Gifts of Securities**

Publicly traded securities, bonds, and government issues may be given to the Foundation for the School.

### **Planned Gifts**

The Foundation encourages donors to disclose their bequest intentions in writing to ensure the School is able to carry out their wishes and that the gifts conform to this Gift Acceptance Policy.

#### *Charitable Bequests*

LCSF suggests the following language be incorporated into bequests:

*I give and bequeath to Lansing Christian School Foundation, a non-profit corporation established under the laws of Michigan ...*

#### *Charitable remainder trusts*

Charitable remainder trusts are established when a donor irrevocably transfers money or securities to a trustee (not affiliated in any way with LCSF) who invests the assets to pay annual lifetime income to the donor or others

chosen by the donor. At the end of the beneficiaries' lives, the remaining assets are distributed to the Foundation.

#### *Gifts of Life Insurance*

Gifts of life insurance as part of planned giving should name the Foundation beneficiary of the policy upon death or as beneficiary and owner.

### **Non-Traditional Investments**

The Foundation may accept gifts of non-traditional investments, such as shares of stock in closely held companies or partnership interests, after a thorough review of the following factors:

#### *Marketability*

- Nature of any applicable restrictions
- Legal and other liabilities associated with the asset
- Carrying costs such as administrative and legal fees
- Exposure to unrelated business income tax liability
- Appraisals - All appraisals of real and personal property contributed to the Foundation shall be made in accordance with IRS Publication 561. Expenses incurred obtaining an appraisal will be the responsibility of the donor unless special circumstances exist that make it appropriate for the Foundation to share the cost. Any appraisal cost borne by the Foundation must be approved by the Foundation Board of Directors.

### **Real Estate**

The Foundation may accept gifts of real estate, including houses, condominiums and commercial properties, farmland, rental property and undeveloped land. The decision to accept gifts of real estate requires the approval of the Foundation's Board of Directors.

When the Foundation receives a gift of real estate property from an estate, the Foundation will ensure that policies in regard to accepting gifts of real property are followed. The Foundation may disclaim ownership of the real property based on an evaluation by the outside consultant in the event a determination is made that potential problems exist. These gifts are received after a thorough review of the following factors:

- Usefulness of the property for the school's purposes
- Marketability of the property
- Existence of restrictions, reservations, easements and/or other limitations
- Existence of encumbrances, such as mortgages and mechanics liens
- Carrying costs, such as property owner's association dues, taxes, insurance and other maintenance expenses
- Fair market value in relation to the costs and limits listed above as determined by a qualified appraisal conducted in accordance with the IRC and regulations.

Prior to the acceptance of any parcel of real property, an assessment of the potential environmental risks will be conducted. This assessment shall include the following:

- An inquiry of the present owner regarding his, her or its knowledge of the history of the property
- A title search to determine who the prior owners might have been
- A consultation with federal, state, and local environmental agencies to find out whether the property has any history of hazardous waste contamination

- A visual inspection of the property for any evidence of environmental hazards
- The Foundation may also require an environmental audit conducted by a professional service.

### **Gifts-in-Kind (Tangible Personal Property)**

The Foundation may accept gifts of tangible personal property, including works of art; jewelry; antiques; coin, stamp and other collections; automobiles; manuscripts; and books. Such gifts may be accepted only after a thorough review indicates the property is readily marketable or may be used by the School or Foundation.

### **Corporate Matching Gifts**

All matching gifts received by the LCS Foundation as the result of employee or employees' contribution(s) will be directed to the same fund as the donor's gift unless specified otherwise by the donor or the contributing corporation.

### **Campaign gifts**

Campaign gifts are designed to raise substantial funds, usually over a number of years, to finance major projects or programs of the School. Such gifts are considered to be above and beyond a donor's annual giving level.

### **Memorial & Honorary Gifts**

Memorial and honorary gifts are encouraged by the Foundation as generous and thoughtful ways to recognize people's lives and accomplishments. When a memorial gift is made, the deceased individual's next of kin is notified by the Foundation. When an honorary gift is made, the honored person is notified.

### **Final Approval, Acceptance & Execution by the Foundation**

Documents effectuating the acceptance of all gifts, the creation of endowment programs and the transfer of real or tangible personal property to the Foundation must be approved by Foundation legal counsel and executed by the Foundation Director.

### ***STATUS:***

*Approved by LCS Foundation Board on 10/1/09*