



I. GENERAL INFORMATION

A. Purpose

The Board of Directors has adopted the following gift acceptance policy to guide the work of staff and various volunteer committees involved in the authorized fundraising activities on behalf of ACT for Alexandria (hereafter also referred to as the “Foundation”). This policy also provides important information for donors interested in providing philanthropic support for the mission and programs of ACT for Alexandria.

B. Status

ACT for Alexandria is Alexandria’s Community Foundation and home for philanthropy. The Foundation’s mission is amplify the work of the community by bringing people and resources together. As a recognized 501(c)(3) entity, all contributions and bequests made to ACT for Alexandria are tax-deductible to the extent allowed by the law. The federal tax identification number is 26-4322369.

C. Policy

Most assets of value can be given to the Foundation. This policy outlines some of the basic facts about charitable giving and the types of gifts that donors may wish to consider. Given the increasing complexity of IRS regulations, the volume of real estate and other property gifts, and state and federal environmental laws, ACT for Alexandria recognizes the value in carefully screening proposed gifts. The Foundation must provide expeditious yet thorough consideration of each gift. Board and staff must be able to assure that gifts accepted by the Foundation do not place other assets of the Foundation at risk, and that they can be easily converted into assets that fall within the Foundation’s investment guidelines. Restrictions on any gifts that impose unbudgeted or unplanned requirements on ACT for Alexandria must be reviewed and approved by the Board of Directors.

II. POLICIES AND GUIDELINES

A. Disclosures to Donor and Donor’s Interests

The purpose of this policy is to serve the best interest of ACT for Alexandria and its donors by providing guidelines for negotiating and accepting various types of gifts. The role of the Foundation’s staff is to inform, serve, guide or otherwise assist the donor in fulfilling his/her/their philanthropic wishes but never to pressure or

unduly persuade. The Foundation's staff will disclose to a prospective donor the benefit and liabilities that could reasonably be expected to influence the donor's decision to make a gift to the Foundation. In particular, the donor should be advised that all gifts are irrevocable, and items subject to variability (such as market value, investment return and amount of income payments) should be discussed fully. It is the responsibility of the Foundation's staff to keep detailed written notes to supplement written correspondence relating to each gift transaction.

B. Legal Counsel

For more complex gifts, prospective donors are advised to consult their own attorneys and/or tax advisor(s) regarding all aspects of their proposed gifts, whether as an outright gift or by bequest, trust agreement, contract or other means. The Foundation shall consult with its legal counsel in all matters pertaining to its asset development and shall consult legal counsel if contract language varies from the standard.

C. Confidentiality

All information concerning prospective donors shall be kept strictly confidential and within the constraints of the Foundation's confidentiality policy.

D. Authorization for Negotiation

The President & CEO and Chief Development Officer are authorized to negotiate on behalf of the Foundation with any donor with respect to standard planned gift instruments that follow the format described in these policies. All such types of gifts may be reviewed by legal counsel. Any real estate or interests in real property or hard-to-value assets of any kind must be evaluated by the Finance Committee and approved by the Executive Committee. Any agreements which involve a legal obligation on the part of the Foundation which do not follow the forms described in these policies or are special agreements of any kind also require the approval of the Finance Committee. The Finance Committee will report its actions to the Executive Committee who will report to the board as appropriate.

E. Standard Form Documents

For administrative ease and convenience, the Foundation will maintain standard forms of fund agreements and other documents relating to the Foundation's development program as deemed appropriate. All such standard forms shall be reviewed by legal counsel and approved by the Finance Committee. The Foundation will provide standard forms to a prospective donor and the donor's advisors upon request and encourage their use whenever practical.

F. Reports

The Foundation will provide donors with periodic reports regarding gifts, investment earnings and all information necessary for preparing federal and state tax returns.

G. Administrative Fees

The Board-approved administrative fee schedule will apply to all charitable funds except in those instances where the Finance Committee approves a different fee structure. The current fee schedule is recorded in the ACT Operating Manual and may change periodically upon approval of the Foundation Board of Directors.

H. Investment of Gifts

- ***In General***

It is the preference of the Foundation that, to the extent feasible, assets from current and future gifts will be commingled with other assets of the Foundation for investment purposes. All investments will be selected in conformance with investment policies established by the Foundation.

- ***Sale of Assets***

All assets accepted as gifts may be retained by the Foundation as long as such decisions to do so serve the interests of the Foundation. The Foundation will give consideration to a donor's needs and preferences in determining whether particular assets will be retained. In purchasing new investments, the Foundation will be guided by its investment policies.

- ***Separate Investment of Fund Assets***

Donors who establish component funds of the Foundation give up all right, title and interest to the assets and such gifts may contain no material restriction that would prevent the fund from being considered as a component fund of the Foundation under IRS rules. In particular, donors give up the right to choose investments and investment brokers and to veto investment choices for their gifts. The Foundation may accommodate requests from donors for separate investment of fund assets, or for use of a particular investment broker or agent, and will consult with donors on investment recommendations for such funds, only when the size of the fund warrants separate investment consideration. The Foundation may apply additional administrative fees to separately invested fund assets to cover the additional expenses associated with such investment.

- ***Unrestricted Gifts***

Contributions received in which the donor provides no direction (nor communicates a specific purpose or Fund for the gift to be deposited to) may be directed by the Foundation at its discretion. Contributions under \$25,000 may be designated at the discretion of the President & CEO. The Executive Committee will direct the purpose of contributions of \$25,000 or above.

III. TYPES OF FUNDS

Minimum guidelines may be waived by the President & CEO in circumstances where it is deemed appropriate, such as anticipation that subsequent gifts will be made to the fund by

donors or others in amounts sufficient to warrant the creation of the fund. Fees are associated with various special funds and can vary depending on the level of complexity. Funds can either be permanent or non-permanent. The Foundation offers the following types of funds to meet the needs of donors:

A. Endowed Funds

Endowed funds are permanent sources of charitable funding designed to provide ongoing support for charitable purposes in perpetuity. The endowed fund's principal amount (corpus) is maintained in perpetuity, with only the income and appreciation above the original gift amount available for distribution, subject to the Foundation's spending policy. New endowed funds require a minimum initial contribution of \$100,000 to establish the fund. The President & CEO and Chief Development Officer are authorized to negotiate endowed fund contract details with any donor on behalf of the Foundation. Endowed funds are invested in the Foundation's long-term investment pool unless otherwise specified and approved. Should a fund's current market value fall below its historic gift value, distributions may be suspended or reduced at the board's discretion. Donors and their designated successors may provide non-binding recommendations for distributions consistent with the fund's stated purpose. The Foundation retains ultimate authority and fiduciary responsibility for all distributions, including the right to modify restrictions if they become impractical, impossible, or inconsistent with charitable needs. An administrative fee of 1% is assessed annually on the fund's average market value to cover management costs.

B. Donor Advised Funds

With a Donor Advised Fund, the donor (individual, family or business) acts as advisor and has the ability to recommend grants to qualified charities whenever they wish. Advisor grant recommendations are not binding on the Foundation, which retains final authority to determine distributions from the fund. Donors may name successor advisors. Once all successor advisors, if any, are deceased or discontinue their active advisement, the fund may become an Unrestricted Fund or a Field of Interest Fund depending upon donor intent or other recommendations made at the time the fund was established.

As of 10/1/2021, the ACT for Alexandria holds no Donor Advised Funds within which excess business holdings, as defined in the Pension Protection Act of 2006 (PPA) are evident.

Under the Pension Protection Act of 2006 (PPA), the private foundation excess business holdings rule applies to donor advised funds as if they were private foundations.¹ That is, the holdings of a donor advised fund in a business enterprise, together with the holdings of persons who are disqualified persons with respect to that fund, may not exceed any of the following:

- Twenty percent² of the voting stock³ of an incorporated business
- Twenty percent of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity
- Any interest in a sole proprietorship⁴

Donor advised funds receiving gifts of interests in a business enterprise have five years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. Community foundations that held such assets in donor advised funds on the date of enactment will have a much longer period to divest under the same complicated transition relief given to private foundations in 1969.⁵

What is a business enterprise?

A “business enterprise” is the active conduct of a trade or business, including any activity which is regularly carried on for the production of income from the sale of goods or the performance of services. Specifically excluded from the definition are:

- Holdings that take the form of bonds or other debt instruments unless they are a disguised form of equity
- Income from dividends, interest, royalties and from the sale of capital assets
- Income from leases unless the income would be taxed as unrelated business income
- “Functionally-related” businesses and program-related investments
- Businesses that derive at least 95 percent of their income from passive sources (dividends, interest, rent, royalties, capital gains). This will have the effect of excluding gifts of interests in most family limited partnerships, and other types of holding company arrangements.

What is a “disqualified person?”

Donors, and persons appointed or designated by donors, are “disqualified persons” if they have—or reasonably expect to have—advisory privileges with respect to the donor advised fund by virtue of their status as donors. Members of donors’ and advisors’ families are also disqualified, but the law does not define “family” and does not cross-reference either section 4958 or 4946 of the Internal Revenue Code for the definition. Finally, the term includes 35-percent-controlled entities as defined in section 4958(f)(3).

What contributions will be affected?

The new rule will mainly affect contributions of closely held businesses and in most cases will require the donor advised fund to dispose of the contributed interest within five years of the date of gift because the disqualified persons will generally own more than 20 percent of the business.⁶

The rule will not apply to assets held by the sponsoring charity—as long as they are not held by the donor advised fund—apparently permitting a sponsoring charity to keep a contributed asset as part of its overall investment portfolio. It will also not apply to gifts to funds—such as field- of-interest or designated funds—that are not donor advised.

Because they are not “business enterprises,” the rule will not apply to most gifts of real property. The most important exception will be undeveloped land, which may become a business enterprise if the charity that owns it takes extensive steps to subdivide it and prepare

it for sale. This is a particularly dangerous situation because this could require immediate divestiture. Interests in investment partnerships and LLCs—including family partnerships, hedge funds, REITs, and so forth—are excluded from the definition of business enterprise as long as 95 percent or more of the entity’s income is from passive sources. Examples of other property gifts that are excluded because they are not business enterprises include:

- Oil and gas interests (non-working)
- Life insurance
- Tangible personal property (as long as it is not inventory)
- Remainder interests in personal residences and farms

It is the intent of the Foundation to not pursue or accept gifts earmarked as Donor Advised Fund(s) wherein any evidence of excess business holdings is present.

C. Future Fund

A Future Fund is a Donor Advised Fund that is established when an estate is realized. It can either be an endowed fund which will support causes or nonprofits in perpetuity, or a Future Fund can be set up as a short-term entity and ACT will disburse grants in accordance with the directives outlined by the donor. Aside from a \$500 set up fee, the Donor(s) are making no financial contribution to the Fund at the time of set up. The Fund will become active after Donor’s death upon receipt of funds from the Donor’s estate. Upon funding, 1% will be assessed when the assets are received. If the Fund is operational beyond a year, an additional 1% will be assessed annually. This fee will be used to offset administrative expenses and support ACT for Alexandria’s operations and programming. Once active, Future Funds will follow the same policies as Donor Advised Funds.

D. Fiscal Sponsor Funds

1. Catalyst Funds

Catalyst Funds utilize the Foundation’s tax-exempt status and administrative infrastructure to incubate and launch new initiatives and projects that address important community needs. Catalyst Funds will transition or sunset within 3-5 years from their establishment. After this initial incubation period, the Foundation’s expectation is that Catalyst Funds will receive their 501(c)(3) tax exempt status or evolve into another organizational structure.

2. Community Initiative Funds

These Funds are managed by the Foundation to accept gifts in support of community projects that fall within an accepted charitable class definition – usually within a specific timetable – wherein the fund’s principal is eventually expended for the purpose intended. ACT provides the tax-exempt status and administrative infrastructure for collaborative, community-led projects that closely align with ACT’s mission and priorities. Such Funds can be short-term “project based” (preferred) or long-term “fiscal sponsorship” in nature.

Additional guidelines:

- The Fund’s charitable purpose aligns with ACT’s mission to improve the lives of Alexandrians by turning ideas into action and resources into results.
- All expenditures from the Fund that are recommended by the advisory board are subject to approval by ACT.
- The Fund has an advisory board with the capacity to provide oversight, and preferably expertise pertaining to the charitable purpose.
- The Fund has a business or fundraising plan that outlines the initiative’s sustainability for a Community Initiative Fund or a path to transition from ACT within 3-5 years for a Catalyst Fund.

E. Agency and Designated Funds

With a Designated Fund the donor specifies a particular charitable agency or organization to receive the proceeds from their fund. Nonprofit organizations may create their own agency funds as well.

F. Field of Interest Funds

A Field of Interest Fund gives the donor the opportunity to support a broad issue or field of interest such the arts, the environment, education, or some other area of impact. Staff will assist in identifying, evaluating, and awarding grants to organizations and programs in the area(s) of interest.

G. Scholarship Funds

Donors may create scholarship funds to support student education at qualified educational institutions. Scholarship recipients are usually chosen by utilizing scholarship committees at area high schools, colleges, or universities. In certain cases, an independent committee chosen in consultation with the Foundation, and working with the Foundation, identifies and chooses scholarship recipients. For local scholarships, ACT will often recommend donors consider using the Scholarship Fund of Alexandria.

IV. GIFTS TO THE FOUNDATION

The Board has adopted this policy because it is in the best interest of the Foundation and its donors to ensure that philanthropy is directed to the institution’s priority needs. In general, the Foundation will not accept any gift – particularly property – which cannot be converted to cash or put to immediate use in the Foundation’s operations within a year of receipt. Normally, the Foundation will not accept gifts that have any carrying costs or management costs associated with them and/or for which the Foundation could assume any real or potential liability. Exceptions to the rule, however, are pledge payment schedules and potential deferred gifts, including bequest intentions and planned giving vehicles that, although not convertible to cash within a year, also have no carrying costs and no liability associated with them.

ACT for Alexandria will accept gifts that are restricted by the donor subject to review and approval by the Executive Committee. The following will be considered:

- (a) Whether the purpose of the donor's gift is in keeping with the short- or long-range goals of the Foundation;
- (b) whether the gift will relieve existing budgetary needs or impose new financial demands on the Foundation;
- (c) whether there will be administrative, personnel, or other burdens on the Foundation resulting from implementing the restricted gift;
- (d) with respect to multi-year gifts, whether there will be the ability to seek modification to address unforeseen circumstances; and
- (e) other criteria that the Committee shall adopt based on its experience in implementing this policy.

Unless restricted to use, the following types of gifts are acceptable without review by the Finance or Executive Committees:

A. Cash

This is a simple, convenient way to donate money to the Foundation and receive maximum tax advantages. Checks can be made payable to ACT for Alexandria. Gifts may also be given through a credit card via the Foundation's online contribution portal through its website and/or mobile applications.

B. Pledges of Cash

Multi-year pledges shall be recorded at full face value as of the date the pledge is properly documented by a written letter of intent. All donors will be encouraged to pay in full within a specified period of time and will receive scheduled reminders.

C. Publicly Traded Securities

Listed securities or securities actively traded "over-the-counter" are acceptable as outright gifts and/or pledge payments. Gifts of securities allow the donor a charitable deduction for the fair market value of the gift (calculated by using the average of the high and low on the date ownership was transferred*), as determined under Internal Revenue Service rules. It is the donor's responsibility to obtain any necessary appraisals of securities. Donors should understand that securities donated to the Foundation will, in all likelihood, be sold immediately.

A. If held by the donor's stockbroker or banker:

- The broker needs to know the Foundation's tax identification number.
- Securities are to be transferred directly to the Foundation's account.
- The donor's broker must be particularly careful not to sell the securities until they are in the Foundation's account or the donor will incur capital gains.

B. If held by the donor:

- A stock power for each certificate being contributed must be completed.

***Date of Gift:**

- The day the Foundation receives the hand-delivered certificate and stock power.
- The day the certificate and stock power are postmarked (if mailed).
- The day the transfer of ownership actually takes place (not when instructions are given).

Gifts subject to review by the Investment Committee irrespective of use:

A. Private Equity

Private equity interests are complex, non-publicly traded assets. In order to be considered for acceptance, the value and marketability of closely held securities gifts need to be evaluated by ACT's Investment Committee with Executive Committee approval. Gifts of private equity will not be considered unless they are valued at \$550,000 or greater. Unless the Investment Committee has previously granted an exemption to a donor, private equity gifts must be liquidated immediately upon receipt.

For contributions of complex or non-publicly traded assets, generally fair market value is determined by a qualified appraiser, in compliance with IRS regulations. Such appraisals are the donor's responsibility and must be made available with the donation.

Considerations include the following:

- Are there restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash?
- Is the security marketable?
- How often is the security valued, if it not marketable daily? What is the process to value it?
- Will the security generate any undesirable tax consequences for the Foundation?
- Would the security subject the Foundation to a potential liability?
- What is the distribution schedule?
- Are there any ongoing capital call requirements?
- If the gift is a private equity fund, what is the timeline for the fund? If not evergreen, when does the private equity fund intend to wind-down?
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B. Planned Gifts (also referred to as Deferred or Legacy Gifts)

Planned gifts encompass all forms of gifts whose benefits do not fully accrue to the Foundation until some future time, such as the death of the donor or other income beneficiaries or the expiration of a predetermined period of time. Planned gifts may include Charitable Remainder Unitrusts, Charitable Remainder Annuity Trusts, Charitable Lead Trusts, Life Estate Agreements and Life Insurance Policies.

- **Charitable Remainder Unitrusts**

Under a charitable remainder unitrust, the donor irrevocably transfers money, securities or other property to a trustee selected by the donor. The trustee pays the donor (or one or more income beneficiaries designated by the donor) a fixed percentage of the net fair market value of the trust assets, as determined each year. The payments are made for the life or lives of the income beneficiaries or for a fixed period of years not to exceed twenty years. Upon termination of the income beneficiary's interest, the assets of the unitrust are transferred to the Foundation. The recommended minimum trust fund is \$125,000.

- **Charitable Remainder Annuity Trust**

A charitable remainder annuity trust is identical to a unitrust, except that the income beneficiary receives a fixed dollar amount annually from the trust.

- **Charitable Lead Trust**

Under a charitable lead trust, the Foundation is given an income interest in the trust assets for a period of years or the lives of one or more individuals, at the end of which time the assets of the trust are distributed to non-charitable beneficiaries designated by the donor. The recommended minimum trust fund is \$100,000.

- **Life Estate Agreement**

A donor may contribute a personal residence or farm to the Foundation and retain the right to occupy the property until death. Upon the donors' death, the Foundation will, upon acceptance, own the entire interest in the property.

- **Bequests**

Distributions from estates and trusts will be allocated as follows: unrestricted bequests less than \$50,000 will be allocated by Foundation staff with first consideration being given to budget needs of the fiscal year in which the gift is received and other priorities of the Foundation. Unrestricted bequests in excess of \$50,000 will be allocated by the Executive Committee. Donors contemplating restricted bequests should consult with Foundation staff in advance of making such a gift. To make certain that the donor's intentions can and will be honored, staff should ensure proposed restricted gifts are consistent with the criteria set forth in this policy.

- **Life Insurance**

Life insurance is easy to give and to receive. ACT may be named as a beneficiary in a life insurance policy and will accept and acknowledge this potential gift even through anticipatory. To be able to realize an immediate charitable tax deduction, the donor must make the Foundation both owner and beneficiary of the insurance policy in order for the IRS to regard the transaction as a charitable gift.

Advantages for the donor include:

- a. The donor can make large gifts by paying relatively small, regular premiums or can make a significant gift with a paid-up policy which he/she/they no longer needs.
- b. The donor does not need to pay financial advisors to establish a gift.

Considerations include:

- a. On a case-by-case basis, the Foundation will determine if the policy should be kept in force or cashed in.
- b. Prior to accepting an insurance policy requiring ongoing premium payments, the Foundation will obtain a written agreement with the donor regarding how such premiums will be paid. One option is that the donor could make gifts to the Foundation equal to the premium amount and the Foundation, in turn, pays the insurance company. This provides tax benefits to the donor and maintains a relationship.

- **Planned Gift Guidelines**

Disclosure statements are provided pursuant to the Philanthropy Protection Act of 1995 for charitable remainder trusts and gift annuity contracts. Before agreeing to serve as trustee for a planned gift, the Foundation reserves the right to review all documents and to seek input on the charitable trust agreements from outside counsel to ensure they conform to the Foundation's standards. The Foundation and/or its employees will not act as executor of a donor's will or as a trustee of a donor's revocable living trust without approval of the Executive Committee.

C. Real Estate

Real estate gifts are evaluated on a case-by-case basis and are subject to Finance Committee approval. All real estate gift offerings may (based on use of the property, the history of existing structures, and any other factors that the Finance Committee believe are relevant) require at a minimum a Phase I/Level I Environmental Assessment – completed within 180 days by a licensed professional – and will be accepted at fair market value as established by at least one qualified appraisal (completed within 60 days by a licensed professional). The following considerations should be made before accepting real estate:

1. In order to avoid potential liability for environmental cleanup and toxic and hazardous waste issues relating to real estate, the Foundation requires inspection of all proposed gifts of real estate. Every proposed gift of property will be subject to a preliminary review by the President & CEO. This review will be submitted in writing to the Finance Committee together with a recommendation regarding the proposed gift.
2. Real estate that is encumbered by a trust deed, loan or mortgage will be accepted only in exceptional circumstances and upon advice from the Foundation's legal counsel.

3. Before acceptance of real estate as a gift, the donor must agree in writing on arrangements for paying expenses associated with the property such as taxes and assessments, appraisal fees, environmental evaluations, insurance coverage and maintenance costs. Generally, the Foundation will not make advances for the payment of such expenses.

D. Tangible Personal Property

Gifts of tangible personal property (artwork, coin collections, jewelry, cryptocurrency, etc.) may be accepted. The property must be saleable, and the donor must agree that the property can be sold unless the Foundation agrees to use the property for a specific use related to the Foundation's tax-exempt status. As determined by the IRS, gifts of cryptocurrency are considered gifts of personal property. NOTE: At this time, the Foundation shall use a third-party to accept, process, and sell as soon as possible all gifts of Cryptocurrency to reduce donor barriers and mitigate Foundation risk. Types of Cryptocurrencies accepted is determined by the third-party platform.

Before tangible personal property can be accepted, the Executive Committee must be sure that the property is either of direct value to the Foundation for its mission or is marketable and of sufficient value justifying the expenditure of resources involved in the sale. Gifts of Cryptocurrency do not require review or acceptance of the Executive Committee as the Foundation relies upon a third party to accept, process, and sell cryptocurrency gifts. The donor shall provide correspondence or communications explaining the donation, requested restrictions for use of the gift, and, excluding gifts of cryptocurrency, provide background and detail on the tangible property. For example, accompanying a gift of art, the letter shall explain what is known about the art and how the donor came by its ownership. Gifts valued more than \$5,000 must be accompanied by a qualified appraisal. If the personal property gift will augment an existing Fund, the tangible personal property value may be minimal. Such gifts used to establish a Fund must meet the minimum funding requirement.

Considerations include the following:

1. Is the property marketable?
2. Are there any undue restrictions on the use, display or sale of the property?
3. Are there any public relations issues related to acceptance of the property?
4. Are there carrying costs, such as insurance, lease space, maintenance to preserve value, costs of sale or appraisal that would create a negative cash flow for the Foundation?

E. Valuation of Gifts and Appraisal

It is the donor's responsibility to incur any expenses related to the review, due diligence and valuation of the potential gift, if requested by the Finance Committee in order to determine whether or not the Foundation can accept the gift. Any appraiser or other professional hired in assistance with the appraisal and valuation must be mutually agreed upon by the donor and the Finance Committee.

The valuation of a gift for tax deduction purposes is the responsibility of the donor except when gifts are made with cash. In that case, the Foundation's receipt/acknowledgement may be relied on by the donor to establish the value for tax purposes.

F. Public Fundraising

Fundraising undertaken by donors in connection with funds of the Foundation requires special consideration.

G. Other Gifts

Any other types of gifts not discussed above are subject to review and approval of the Finance Committee.

V. PLEDGE POLICY

A pledge is commitment to give a specific dollar amount to one or more funds within an established time schedule. The Foundation will properly and accurately record pledges for accounting, receipting, and monitoring purposes in accordance with applicable laws and regulations. All multi-year pledges are required to be in writing where the amount, payment schedule, and designation are clearly specified. Multi-year pledges will be recorded as receivable, and a contract must be signed by both the donor and the Foundation.

Donors who wish to make a larger gift can spread payments out over three to five years if their commitment meets the minimum gift requirement. The following guidelines should be used to determine the appropriate payment schedule:

Gift Amount	Specified Period Payment
\$1 to \$29,999	One (1) year
\$30,000 to \$49,999	Two (2) years
\$50,000 to \$100,000 and above*	Three (3) years
\$100,000 and above*	Five (5) years

* Exceptions can be made of \$1 million and greater.

Addendum

Gift Acceptance Policy for Third-Party Fundraisers

This policy establishes guidelines for accepting gifts and donations raised by third-party fundraisers on behalf of ACT for Alexandria or ACT managed funds. These provisions ensure compliance with legal requirements, protect the organization's reputation, and maintain donor confidence.

Definitions

Third-Party Fundraiser: Any individual, group, organization, or entity that conducts fundraising activities to benefit ACT for Alexandria but is not directly employed by or under the direct control of the organization.

Pre-Authorization Requirements

All third-party fundraising activities must be authorized through a written agreement that includes:

- Clear identification of the fundraising purpose and beneficiary program
- Specific time period for fundraising activities
- Approved methods of solicitation and collection
- Requirements for financial reporting and remittance
- Use of organization name, logo, and messaging guidelines
- Compliance with all applicable laws and regulations
- Budget of anticipated expenditures and revenue sources and amounts, resulting in target efficiency ratio maximum of 25%

Due Diligence

Before authorizing third-party fundraising, ACT will conduct appropriate due diligence including but not limited to:

- Verification of the third party's legal status (if applicable) and good standing
- Review of fundraising history and reputation
- Assessment of proposed fundraising methods and materials
- Evaluation of potential risks to organizational reputation

Gift Acceptance Standards

- Donations must align with organizational mission and capacity
- Gifts will not be accepted with conditions that conflict with organizational values or legal requirements

Compliance and Oversight

Third-party fundraisers must:

- Comply with all federal, state, and local fundraising registration and reporting requirements
- Adhere to applicable consumer protection laws
- Follow IRS guidelines for charitable solicitations

- Maintain required licenses and permits
- Comply with fundraising best practices outlined in Association of Fundraising Professionals [Code of Ethical Standards](#)

Monitoring and Reporting

- The organization reserves the right to audit fundraising activities and records
- Any complaints or concerns about fundraising practices must be immediately reported
- Final reconciliation and reporting required within 30 days of campaign completion

Prohibited Practices

Third-party fundraisers may not:

- Make commitments or agreements on behalf of the organization
- Guarantee specific uses of funds without prior written authorization
- Use high-pressure or deceptive solicitation tactics
- Comingle organizational funds with personal or other accounts
- Retain more than the agreed-upon percentage for expenses
- Conduct door-to-door solicitations without specific authorization

Risk Management

Third-party fundraisers may be required to maintain:

- General liability insurance
- Professional liability coverage
- Fidelity bonding for individuals handling funds

Indemnification

- Third parties must agree to indemnify and hold harmless ACT for Alexandria from claims arising from their fundraising activities.

Termination and Remedies

The organization reserves the right to:

- Terminate third-party fundraising agreements for cause
- Require immediate cessation of use of organizational name and materials
- Demand accounting and remittance of all collected funds
- Pursue legal remedies for violations of agreement terms

Authority and Approval

- President & CEO: Authority to approve standard third-party fundraising agreements up to \$10,000
- Executive Committee: Required approval for major campaigns over \$10,000 or those involving significant risk
- Development Committee: Review and recommendation authority for complex arrangements

Record Keeping

All third-party fundraising records must be maintained for a minimum of [number] years and include:

- Original fundraising agreements
- Financial reports and reconciliations
- Donor records and acknowledgments
- Correspondence and communications
- Compliance documentation