

Alive Hospice: Guidelines for Planned Gift Acceptance



Alive Hospice, a not for profit 501(c)(3) organization organized under the laws of the State of Tennessee, encourages the solicitation and acceptance of gifts for purposes that will help to further the mission and vision of Alive Hospice. This guideline includes appropriate consideration of donor objectives, governs the acceptance of gifts, and provides guidance to donors and their professional advisors in completing gifts. It also ensures that gifts to Alive Hospice are made in accordance with legal and ethical regulations and guidelines while promoting consistent practices in exercising fiscal responsibilities.

Our Mission—Alive Hospice (AH) accepts gifts for purposes that will help the organization fulfill its mission: “To provide loving care to people with life-threatening illnesses, support to their families and service to the community in a spirit of enriching lives” as well as furthering Alive Hospice’s vision: “To be recognized as expert providers of hospice care, palliative care, management of advanced disease and grief support and to be the agency of choice for the provision of these services; To be recognized as innovators and leaders in all aspects of end-of-life resources; To influence the perceptions within the community and among medical professionals so that the end of life is accepted as a meaningful component of the human experience.”

Donor’s Use of Legal Counsel—Alive Hospice urges 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. The following policies and guidelines govern acceptance of gifts made to Alive Hospice for the benefit of any of its operations, programs or services.

Use of Legal Counsel—Alive Hospice will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel may include, but is not limited to:

- A. Gifts of closely held securities that are subject to restrictions or buy-sell agreements.
- B. Documents naming Alive Hospice as trustee or requiring Alive Hospice to act in any fiduciary capacity.
- C. Gifts requiring Alive Hospice to assume financial or other obligations.
- D. Transactions with potential conflicts of interest.
- E. Gifts of property which may be subject to environmental or other regulatory restrictions.
- F. Transactions governed by contracts or legal documents.
- G. Transactions in which the Finance Committee or AH board members believe that the use of counsel is appropriate.

Restrictions on Gifts—Alive Hospice will not accept gifts that (a) would result in Alive Hospice violating its corporate charter, (b) would result in Alive Hospice losing its status as an 501(c)3 not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for Alive Hospice, or (e) are for purposes outside Alive Hospice’s mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Finance Committee, in consultation with the Chief Executive Officer.

Gifts Generally Accepted Without Review—

- **Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. 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.
- **Marketable Securities.** Marketable securities (publicly traded stock) 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. All marketable securities will be sold promptly upon receipt unless otherwise directed by Alive Hospice's Finance Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Finance Committee.
- **Bequests and Beneficiary Designations** under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans. Donors are encouraged to make bequests to Alive Hospice under their wills, and to name Alive Hospice as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- **Charitable Remainder Trusts.** Alive Hospice will accept designation as a remainder beneficiary of charitable remainder trusts.
- **Charitable Lead Trusts.** Alive Hospice will accept designation as an income beneficiary of charitable lead trusts.
- **A contribution to Alive Hospice's Endowment Agency fund** established at Community Foundation of Middle Tennessee (CFMT), or a new donor-advised fund established at CFMT or a community foundation of your choice.

Gifts Accepted Subject to Prior Review—Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

- **Tangible Personal Property.** The Finance Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: Does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?
- **Life Insurance.** Alive Hospice will accept gifts of life insurance where Alive Hospice is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- **Real Estate.** All gifts of real estate are subject to review by the Finance Committee. Prior to acceptance of any gift of real estate other than a personal residence, Alive Hospice shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include: Is the property useful for the organization's purposes? Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property? Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property? Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
- **Gift Transmittal.** All gifts to Alive Hospice should be directed to Alive Hospice, 1718 Patterson Street,

Nashville, TN 37203, Attn: Community Development Department. When cash, checks, or other assets are sent for deposit, they should be accompanied by the following information: title or type of gift account (for identification if multiple accounts), and contact name, address, telephone number of responsible person to whom acknowledgement should be sent, particularly in the case of corporate checks; plus copies of all correspondence relating to the gift. Checks should be made payable to Alive Hospice. Your gift may be electronically transferred to Alive Hospice's account: Attn: Morgan Stanley Wealth Management, Jessica Kerr at 615.775.4731 or 800.841.0006 (Toll Free), Account Number 941-111361-052, DTC # 0015. If you have not been in contact with our staff previously, please notify Alive Hospice of your gift so we may properly acknowledge your contribution. All gifts will be acknowledged in writing by Alive Hospice for tax purposes.

- **Acknowledging and Recognizing Donors.** A formal tax receipt for cash donations is sent to each donor upon acceptance of the gift. Receipts are not issued for non-cash contributions, such as gifts of stock, bonds, or gifts-in-kind. Alive Hospice will formally acknowledge non-cash gifts in a letter containing a description of the donated item, although the actual fair market value will not be stated. Receipts and acknowledgements are necessary to ensure that gifts are deposited correctly and also serve as additional verification of a tax-deductible gift for the donor. Descriptions and policy regarding donor recognition and naming opportunities may be obtained from the AH Community Development Department.
- **Tax Information.** Alive Hospice is exempt from income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. Because Alive Hospice is not a private foundation under Section 509(a) of the IRS Code, contributions made to Alive Hospice are charitable contributions for federal and state tax purposes and are deductible by donors in computing corporate, partnership, gift, estate, and personal income taxes.

APPENDIX: ETHICAL STANDARDS

Model Standards of Practice for the Charitable Gift Planner

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and

expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. Consultation with Independent Advisors

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will

accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation Of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.

Additional documents which may be helpful:

- IRS Form 8282 and Instructions
- IRS Publication 561 Determining the Value of Donated Property
- IRS Publication 526 Charitable Contributions