

America's Promise Alliance

Gift Acceptance Policy

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## About America's Promise Alliance

America's Promise Alliance (APA) is the driving force behind a nationwide movement to improve the lives and futures of America's youth. By bringing together hundreds of national nonprofits, businesses, community and civic leaders, educators, citizens, and young people, the Alliance does what no single organization can do on its own: catalyze action on a scale that reaches millions of young people.

Our work is rooted in the belief that every young person deserves the opportunity to fulfill their American Dream and every adult has a responsibility to make it happen. Our campaigns and initiatives align organizations behind a common vision for a better future and the shared goal to reach that vision. Through this alignment, we spark and support collective action across organizations, communities, and individuals to overcome the barriers that stand in the way of young people's success. These efforts have reached millions of young people.

## Purpose of Gift Acceptance Policy

The purpose of this Gift Acceptance Policy is to provide guidelines relating to the acceptance and processing of gifts in a manner that is consistent with the mission and values of America's Promise Alliance and to provide donors with transparency on the matters described herein. This policy shall be posted to the America's Promise Alliance website and made available for all donors to view.

## Acknowledgement of responsibilities as a public charity

America's Promise Alliance is incorporated in the state of Maryland as a public charity, with headquarters in Washington, DC, and is an organization described in Section 501(c)(3) of the Internal Revenue Code, exempt from federal income tax. America's Promise Alliance has benefits under the law, including the right to solicit and have active support and voluntary contributions from individuals, corporations, foundations, government, and federated funding organizations, among others. Good relations between each of these parties and the organization are essential to its financial independence and stability. Fund Development is the process by which public support is obtained through voluntary contributions to America's Promise Alliance.

## Voluntary contributions

All voluntary contributions, intended to benefit America's Promise Alliance, regardless of value, form, or designated use, shall be made only to America's Promise Alliance. Any tax deduction available to a donor is determined by the federal Internal Revenue Code, its regulations, and other laws, not America's Promise Alliance.

## State and local laws governing fund development

America's Promise Alliance will, at all times, fulfill its obligations to comply fully with the applicable local laws of the District of Columbia and such other jurisdictions as is required.

## Tax laws and public reporting requirements

America's Promise Alliance will, at all times, fulfill its obligations to comply fully with applicable tax laws and public reporting requirements. Donors shall have full disclosure of the financial operations of the organization through access to its IRS Form 990 and its audited financial reports.

## Donor's use of professional advisors

Prior to making any gift, donors and prospective donors should seek the assistance and advice of independent professional advisors, including, but not limited to, tax or legal counsel and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

## Use of counsel

America's Promise Alliance reserves the right to consult with and/or seek the advice of legal counsel, which may be at the donor's expense, in any and all matters relating to the acceptance of gifts.

In particular, review by counsel is recommended for:

- a) Gifts of securities that are not readily traded on established exchange, as well as those that are considered "restricted" as defined under federal and state securities laws.
- b) Gifts involving contracts, such as bargain sales, or other documents requiring America's Promise Alliance to assume an obligation.
- c) Transactions with potential conflict of interest.
- d) Gifts of real property, charitable remainder or lead trusts, or charitable gift annuities.
- e) Other instances deemed appropriate by the Gift Acceptance Committee.

## Commitment to donors

America's Promise Alliance believes in safeguarding personal information and ensuring that privacy is respected and protected for donors. To review the specific details of the official privacy policy of America's Promise Alliance that applies to your use of our website (<http://www.americaspromise.org>) and the available services, features, and functions that are offered and made available on, through, or by using our website, please visit <https://www.americaspromise.org/privacy-policy>.

Otherwise, and more generally, America's Promise Alliance will use personal information to keep donors, friends, vendors, and volunteers informed of our activities, including our programs, special events, and funding needs. The organization respects all requests to remain anonymous and will endeavor to provide an "opt-out" procedure for donors and others who receive such materials to request that their names be deleted from similar mailings, phone calls, or electronic communications in the future.

Donors, friends, and volunteers may contact America's Promise Alliance at any time to opt out of electronic communication and may also request that their record be flagged as "Do Not Call." America's Promise Alliance will honor all or any combination of these "opt out" preferences.

We may share donor information with our operational service providers for data maintenance purposes. In addition, we may also combine the personal information we collect directly from donors with data obtained from third parties, such as non-personally identifiable information (e.g., demographic and geographic characteristics), as well as other publicly available data such as census information. We will also share donor information when required to do so by law or legal processes.

## Gift acceptance review process

All gifts to America's Promise Alliance are subject to this Gift Acceptance Policy. All gifts designated in this Policy for review by the Gift Acceptance Committee (described below) should be directed to the Gift Acceptance Committee, which is responsible for rendering the final decision as to whether a particular gift should be accepted. In the absence of a Gift Acceptance Committee being appointed by the Board, the authority granted to the Gift Acceptance Committee shall be vested in the Chief Development Officer and the Chief Financial Officer.

For purposes of this policy, "non-routine" gifts include gifts that are not regularly encountered in the ordinary course of business, non-cash gifts that need to be, or can be, liquidated. They include gifts that may not align with the mission of America's Promise Alliance, unique or unusual gifts, and gifts accompanied by a potential administrative, financial or other burden on America's Promise Alliance.

Grants (i.e., gifts to America's Promise Alliance, specifically, requests from a donor) received by America's Promise Alliance in the ordinary course of business shall not be treated as gifts.

## Gift Acceptance Committee

The Gift Acceptance Committee possesses the authority to accept or reject gifts offered to America's Promise Alliance.

If the gift in question has an impact on another department's work (other than to provide additional funding - e.g., because the gift is a restricted gift) or requires the department to take some action, one APA senior staff member from that department shall be consulted in connection with the Gift Acceptance Committee's decision whether or not to accept the gift.

The Gift Acceptance Committee shall be empowered to include one or more individuals as non-voting members of the Gift Acceptance Committee. The Gift Acceptance Committee may seek legal counsel on a case-by-case basis and America's Promise Alliance shall pay the cost thereof unless otherwise provided in this policy or as determined by the Gift Acceptance Committee.

In rendering final decisions as to whether a particular gift should be accepted by America's Promise Alliance, the Gift Acceptance Committee is charged with making determinations including whether gifts are consistent with the mission of America's Promise Alliance and whether gifts are cost-prohibitive or burdensome for America's Promise Alliance to process. If deemed appropriate, the Gift Acceptance Committee, in coordination with the President & CEO, may consult with the Executive Committee or full Board of Directors regarding the acceptance of gifts and may request approval of its recommendations from the Executive Committee or full Board where it deems gifts to be unique or carry significant risk. Gifts of crypto-currencies, real estate, and life insurance that is not fully paid up when there is an expectation that such policy will be retained by APA shall require the approval of the Executive Committee or the full Board of Directors.

The Gift Acceptance Committee shall have the ability to authorize payment of gift administration fees and expenses, such as professional fees, where appropriate.

## Restrictions on gifts

Generally, America's Promise Alliance will accept unrestricted gifts, and gifts for specific programs and purposes, provided such gifts are not inconsistent with its stated mission, purposes, or priorities.

## Refusal of gifts

The Chief Development Officer and the Chief Financial Officer, in consultation with the President & CEO, have the right to refuse gifts or contributions that do not enhance, promote, and ensure the purpose of America's Promise Alliance and its long-range financial viability.

## Definition of gifts

America's Promise Alliance may accept monetary gifts in the form of cash, wire transfers, checks, money orders, charges to approved credit cards, and non-monetary gifts. Non-monetary gifts are gifts that are not cash or a cash equivalent such as stocks, bonds and other securities, real property, personal property, gifts-in-kind, royalties, copyrights and trademark

rights, interests in trusts and estates, annuities and insurance policies naming America's Promise Alliance as a beneficiary in whole or in part. All types of non-monetary gifts must be approved by the Chief Development Officer and Chief Financial Officer prior to acceptance.

## Unrestricted and restricted gifts

Unrestricted gifts are gifts that America's Promise Alliance may use in its sole and absolute discretion. Restricted gifts are gifts that are subject to any limitations, whether as to purpose, time, or otherwise. There are two types of restricted gifts:

- a) Permanently restricted gifts are generally expected to be administered in perpetuity and provided to support America's Promise Alliance in accordance with the terms of any applicable gift instrument and applicable law.
- b) Temporarily restricted gifts are fully funded immediately or over a period of time for a particular purpose in accordance with the terms of any applicable gift instrument.

America's Promise Alliance accepts restricted gifts that are consistent with its priorities as set forth in plans, program initiatives and/or capital improvement projects. The endowment policies and any gift instruments will govern the processes and procedures in connection with the administration of all restricted gifts. The Gift Acceptance Committee will review all restricted gifts.

The organization will make every effort to encourage donors to make unrestricted gifts and to educate donors as to their importance.

## Overly restrictive gifts

America's Promise Alliance will not accept gifts deemed by its Gift Acceptance Committee to be overly restrictive. Overly restrictive gifts include, but are not limited to, restricted gifts that are inconsistent with the mission of America's Promise Alliance, gifts that place undue burdens on America's Promise Alliance as well as gifts that violate the terms of any of America's Promise Alliance's formation or governance documents.

## Commemorative gifts

Gifts may be designated by donors to be acknowledged for crediting purposes "in memory of," "in honor of," or "on the occasion of." Commemorative gifts will be considered unrestricted gifts, unless otherwise agreed upon, in writing, by America's Promise Alliance.

## Designated gifts

It is the policy of America's Promise Alliance to encourage donors to give unrestricted gifts, the proceeds of which benefit America's Promise Alliance and its programs, rather than to designate gifts to benefit other charities. Where the receipt and/or administration of a designated gift is burdensome, the Gift Acceptance Committee will determine, in accordance with this Policy, whether America's Promise Alliance will accept the gift.

## Types of donations

### Cash

Gifts to America's Promise Alliance may be made via cash, wire transfers, check, credit card or other cash equivalents. Gifts of unrestricted cash (i.e., currency) in excess of \$1,000,000 must be referred to the Gift Acceptance Committee for a final determination regarding acceptance of the gifts. Checks shall be made payable to America's Promise Alliance. Checks shall not be made payable to individuals who represent America's Promise Alliance.

### Closely held securities

For purposes of this Policy, closely held securities shall mean securities that are not publicly traded and shall include, but shall not be limited to, debt and equity interests in non-publicly traded or closely held entities, as well as interests in LLPs and LLCs. Interests in other forms of ownership may be deemed closely held securities.

Closely held securities may be accepted only if approved by the Gift Acceptance Committee.

The Gift Acceptance Committee is charged with considering the following factors as part of its review of the gift: whether the securities possess any restrictions that would hinder their liquidation to cash, marketability of the securities, an estimate of the fair market value of the securities, and the presence of any detrimental tax consequences for America's Promise Alliance.

America's Promise Alliance may review securities to ensure investment strategies that bring about both financial return as well as social and environmental good that is in alignment with APA's mission and values.

It is the policy of America's Promise Alliance that closely held securities be sold upon acceptance by the Gift Acceptance Committee as soon as possible. If the sale of such securities



is restricted by agreement or by applicable law, depending on the facts and circumstances of the gift, the Gift Acceptance Committee may make an exception to the foregoing policy.

## Corporate gifts

America's Promise Alliance will solicit and accept funds from businesses (including companies, multinational corporations, corporate foundations, small businesses, and other business entities) except those from excluded industries as outlined in this section.

America's Promise Alliance will not knowingly accept contributions from companies, their respective corporate foundations or entities that lobby on their behalf, whose core activities may be in conflict with the goals of America's Promise Alliance, or which may limit the ability of America's Promise Alliance to fulfill its mission in any way.

Excluded companies include those that derive a significant portion of their income from the production and/or sale of adult entertainment, alcohol, arms, cannabis, tobacco, mineral, oil, gas, or other extractive industries, unless the donation is required by way of a legal settlement or directive.

The aforesaid exclusion of contributions includes those contributions made by companies for: (a) admission to corporate events, (b) donations of goods and services, (c) sponsorship or partnerships, (d) company matching gifts, and (e) tickets to America's Promise Alliance events.

The use of the America's Promise Alliance logo by a corporate/business partner is governed by the intellectual property policies of America's Promise Alliance and any license provide by America's Promise Alliance.

America's Promise Alliance reserves the right to refuse donations from any corporation for any reason.

## Deferred gifts

The Gift Acceptance Committee shall consider the acceptance of all deferred gifts. America's Promise Alliance will not accept deferred gifts where APA is not the beneficiary, provided that the Gift Acceptance Committee may consider on a case-by-case basis acceptance of gifts where America's Promise Alliance is a contingent beneficiary or one of the beneficiaries of the gift.

The Gift Acceptance Committee is charged with considering the following factors as part of its review of the gift: the fair market value of the gift, the projected financial benefit to America's Promise Alliance, whether the gift is useful for the purpose and mission of America's Promise Alliance, the presence of any restrictions, obligations or limitations associated with the gift, as well as any carrying costs, administrative costs and/or professional expenses associated with the gift.

Deferred gifts may include charitable remainder trusts, charitable lead trusts, bequests, charitable gift annuities, deferred gift annuities, pooled income funds and retained life estates.

America's Promise Alliance may accept a designation as the remainder beneficiary of a charitable remainder trust subject to the approval of the Gift Acceptance Committee. America's Promise Alliance shall not serve or accept an appointment as the trustee of such a charitable remainder trust.

America's Promise Alliance may accept a designation as the income beneficiary of a charitable lead trust subject to the approval of the Gift Acceptance Committee. America's Promise Alliance shall not serve or accept an appointment as the trustee of such a charitable lead trust.

Donors may make bequests to America's Promise Alliance through their wills and trusts. Bequests will be recorded at such time as they are irrevocable. Donors who indicate that they have made a bequest to America's Promise Alliance may be asked to disclose the relevant clause or documentation that evidences such a bequest.

### Donor-advised funds and supporting organizations

The Gift Acceptance Committee may discuss with donors whether donor-advised funds and supporting organizations can be helpful in fulfilling the mission of America's Promise Alliance. The Gift Acceptance Committee must approve the creation of such vehicles by America's Promise Alliance on a case-by-case basis.

### Life insurance

Gifts of life insurance policies shall be subject to the approval of the Gift Acceptance Committee.

America's Promise Alliance shall encourage donors to name America's Promise Alliance as beneficiary or contingent beneficiary of any life insurance policies.

America's Promise Alliance shall encourage gifts of paid up life insurance policies with a minimum face value of \$5,000. If the policy is not paid up, America's Promise Alliance shall request that the donor contribute sufficient funds to pay all future premium payments to America's Promise Alliance. If the donor does not make such contribution(s), America's Promise Alliance may: 1) continue to pay the premiums; 2) convert the policy to paid up insurance; and/or 3) surrender the policy for its current cash value.

The Gift Acceptance Committee may consult with professional financial and legal advisors regarding the valuation of any gifts of life insurance policies, as well as whether to accept and/or retain such policies. Gifts will be recorded at such time as they are irrevocable.

## Publicly traded securities

Publicly traded and marketable securities, including those traded on any recognized stock exchange, can be accepted by America's Promise Alliance. Such marketable securities may be transferred to an account maintained at a brokerage firm or physically delivered with the signature of the transferor or stock power attached.

Marketable securities that are not Restricted Stock (as defined in the following paragraph) must be sold upon receipt by America's Promise Alliance or its authorized broker.

Gifts to America's Promise Alliance of publicly traded securities that are restricted by applicable securities laws, which typically bear a legend on the certificate ("Restricted Stock"), shall be referred to the Gift Acceptance Committee to determine whether the gifts should be accepted. America's Promise Alliance will not accept publicly traded securities from excluded companies referenced under Corporate Gifts.

Unless otherwise agreed upon by the Gift Acceptance Committee, the donor of restricted stock shall be asked to pay for all of the expenses of lifting the restriction and any other expenses associated with the administration of the gift. Exceptions may be made based on a variety of factors, including the value and desirability of the gift, ease of administration of the gift, the donor's connection with America's Promise Alliance, the donor's past giving record, and the donor's contributions.

## Real estate

All gifts of real estate shall be subject to the review and approval of the Gift Acceptance Committee.

Prior to consideration by the Gift Acceptance Committee, a member of America's Promise Alliance staff and a qualified real estate broker must conduct a visual inspection of the property. Without exception, any expenses associated with such an inspection shall be borne by the donor.

The donor may be asked to provide any or all of the following items to America's Promise Alliance: a property deed, a property tax bill, a property title report, a property ALTA survey, site plans or development surveys relating to the property, a plot plan, any existing leases or agreements encumbering the property, substantiation of zoning status, and verification of title insurance.

Prior to acceptance of real estate gifts, the Gift Acceptance Committee may require that an environmental review of the property be completed by a qualified professional, at the sole expense of the donor.

The Gift Acceptance Committee may arrange for an appraisal of the property, when it deems it to be appropriate. Expenses for the appraisal shall be paid by the donor.

The Gift Acceptance Committee is charged with considering the following factors as part of its review of the gift: the fair market value of the property, the projected financial benefit to America's Promise Alliance, whether the property is useful for America's Promise Alliance purposes and mission, the marketability of the property, the presence of any restrictions, obligations, or limitations associated with the property, any carrying costs, administrative costs and/or professional expenses associated with acquiring and selling or maintaining the property, and the results of the environmental review and any environmental audits.

Depending on a variety of factors, including the value and desirability of the gift, ease of administration of the gift, the donor's connection with America's Promise Alliance, the donor's past giving record and the donor's contributions, the donor may be asked to pay for all or a portion of the following additional expenses: maintenance expenses, real estate taxes, insurance expenses, the real estate broker's and/or auctioneer's commission, any other costs of the sale of the property and any additional legal and/or other expenses relating to the administration of the gift or the sale of the property.

### Remainder interests and retained life interests in property

Remainder interests in property may be accepted by America's Promise Alliance subject to the approval of the Gift Acceptance Committee and subject to the provisions enumerated in the foregoing "Real Estate" section.

### Tangible personal property

Gifts of tangible personal property shall be subject to the approval of the Gift Acceptance Committee unless received in connection with an auction or raffle organized and conducted by America's Promise Alliance. Such gifts may be sold upon receipt by America's Promise Alliance. The Gift Acceptance Committee may consider other factors in rendering a determination as to whether the gift should be accepted, including, but not limited to, another party's possession of any type of lien or interest in the property, the marketability of the property, any carrying costs for the property and the presence of any restrictions on the use, display, or sale of the property.

The Gift Acceptance Committee shall have the discretion to seek an appraisal of the property from a qualified, independent appraiser. The donor shall be responsible for the costs of such an appraisal. It is the responsibility of the donor to determine the gift valuation for tax purposes, including determining the fair market value.

## Retirement plans

Donors may name America's Promise Alliance as a beneficiary of their retirement plans. Gifts will be recorded at such time as they are irrevocable.

## Other gifts

The Gift Acceptance Committee shall consider the acceptance of other gifts not mentioned above, including, but not limited to memorials, honorariums, and intangible property.

## Ethical standards and compliance

America's Promise Alliance shall administer gifts properly, shall comply with all applicable laws and regulations, including those governing reporting and retention, and shall provide formal acknowledgments for gifts. America's Promise Alliance shall not furnish property appraisals or gift valuations to donors for tax purposes.

America's Promise Alliance acknowledgement letters may acknowledge the value of a gift in the case of a cash, check, or other monetary donation or if required by applicable law. Otherwise, the donor is solely responsible for determining gift valuations for his or her own tax purposes.

America's Promise Alliance shall consult with independent advisors where it deems such action to be appropriate. America's Promise Alliance shall strive to consider the interests of the donor and disclose to the donor all essential information, including any fees, prior to acceptance of the donor's gift.

America's Promise Alliance complies with the Association of Fundraising Professionals Code of Ethical Practices and Standards and the Donor Bill of Rights.

## Review of policy

America's Promise Alliance's Gift Acceptance Committee, the Nominating and Governance Committee, and Executive Committee of its Board of Directors have reviewed and accepted the foregoing Gift Acceptance Policy. The Gift Acceptance Committee shall conduct periodic reviews of this policy and shall approve any future changes.

## Acceptance of policy

This Gift Acceptance Policy was approved by the America's Promise Alliance Nominating and Governance Committee on October 7, 2020 and Executive Committee on October 21, 2020.