

**Gift Policies and Procedures of the
St. John/Hudson Community U.S.D. 350
Educational Foundation**

Date Adopted

**St. John/Hudson Community U.S.D. 350 Educational Foundation
Gift Acceptance Policy**

In accepting gifts, the St. John/Hudson Community U.S.D. 350 Educational Foundation, hereafter referred to as the Foundation, values and shall protect its integrity, its independence, its tax exempt status and the professional and civic freedom of the Foundation.

Gifts will only be sought for purposes, positions, and programs that have the approval of the Foundation Board. All fund raising activities to be conducted by the representatives of the Foundation, unless otherwise noted, require the approval of the Foundation Board of Trustees.

Gifts may be sought from individuals, corporations, foundations, any federal, state or local government. Whenever it appears that a gift because of its source, its conditions, or its purpose, could expose the Foundation to adverse publicity, extend the Foundation resources beyond their strength, jeopardize its tax exempt status or involve the Foundation in new and unexpected responsibilities, prior to the final acceptance of the gift, the matter shall be referred to the Foundation Board of Trustees. Because of federal legislation, it is especially important that gifts-in-kind have prior approval of the Foundation before they are accepted.

While donors often wish to specify the general purpose for which the gift is given, the Foundation will not accept gifts which are too restrictive in purpose or which do not support its stated purpose. The most useful kinds of support for the Foundation are funds with as few restrictions as possible. Unrestricted funds enable the Foundation to support the most pressing needs with appropriate funding. Thus unrestricted funds for operating expenses and for unrestricted endowment are the most desirable.

The Foundation will not accept a gift that bears with it an invidious discrimination based upon race, religion, or sex. Additionally, the Foundation will not accept a gift that may jeopardize its tax-exempt status.

St. John/Hudson Community U.S.D. 350 Educational Foundation Gift Opportunities

Members of the St. John/Hudson Educational Foundation board are familiar with the following types of gift opportunities that are of frequent interest to potential donors. While not exhaustive, this list covers a wide range of possible gift options. No gift is too small, and likewise no gift is too large.

Donors, if they wish, are recognized for their gifts large or small, because every gift increases the impact of the St. John/Hudson Educational Foundation. The Foundation has two types of endowment funds, unrestricted endowment funds and restricted endowment funds.

A. Unrestricted Operating Funds

The St. John/Hudson Educational Foundation actively seeks, and very much needs, unrestricted funds for operating purposes. As noted above such funds enable the Foundation to ensure excellent services and programs in the district.

B. Unrestricted Endowment Funds

The income from unrestricted endowment funds is available for the general use of programs and entities the Foundation supports. Unrestricted endowment funds are pooled for investment by the Foundation and income is credited to each subaccount as determined by investment policy of the Board of Trustees of the St. John/Hudson Educational Foundation.

An unrestricted endowment fund named to honor the donor or some other person or persons may be established. Once established the same fund may be increased by means of additional gifts of any amount.

C. Restricted Endowment Funds

A restricted endowment fund supports a purpose, program, or activity according to the wishes of the donor. Five types of restricted endowment funds are explained below. The variety of purposes of specific endowment funds is designed to appeal to a broad range of donors. Endowment funds that do not fit these categories may be established in consultation with the St. John/Hudson Educational Foundation Board of Directors and/or Executive Director and are subject to the approval of the Board of Directors.

1. **Memorial/Honor Funds** - Memorial and honor endowments are established in honor of individuals who have made significant contributions to others. The memorial or honor endowments will be named after them. Most memorial or honor funds will be restricted funds and investment income will be applied to the projects specified by the individual establishing the fund. When unrestricted funds are received as memorial or honor endowments the proceeds will be applied to the projects selected by the St. John/Hudson Educational Foundation Board of Trustees.

2. Endowment Funds - Unrestricted and restricted funds will be placed in this account. The proceeds coming from this endowment will be applied to projects selected by the St. John/Hudson Educational Foundation. Investment income will be credited to each sub-account in the Endowment.

3. Construction and Major Renovation Funds - Although it is improbable, there is always a possibility that a donor may desire to build a permanent memorial in the form of a structure of some kind.

If this is the desire of the donor 110% of the funds needed to construct the structure must be supplied by the donor unless the St. John/Hudson Educational Foundation Board of Directors determine that another strategy is warranted. A broad range of public support should be evident. Under no circumstances should a building project be considered if less than 75% of the projected facility is funded through a charitable gift.

4. Scholarship Funds - Restricted funds given to promote and encourage individuals to pursue college or vocational training programs will be accumulated in this endowment. Applications for these funds will be handled through the St. John/Hudson Educational Foundation.

5. Project Funds - An endowment for the advancement of projects which interest the St. John/Hudson Educational Foundation would be included in this fund. This fund will accommodate new innovative projects as well as offering continued support for valuable projects within the school district.

St. John/Hudson U.S.D. 350 Educational Foundation Methods of Giving

A variety of methods of giving to the St. John/Hudson Educational Foundation allow donors to choose the most advantageous method. The Foundation endeavors to design plans in which the donor receives a benefit, current or deferred, as well as making provision for the charitable needs of the district.

A. Gifts of Cash or Securities

The Foundation welcomes gifts in the form of cash (checks) or marketable securities. Checks should be made payable to the St. John/Hudson Educational Foundation. Gifts of securities may be made by contacting the Foundation. Securities may be transferred to the Foundation by a transfer agent who then delivers them to the Foundation.

B. Planned Giving

Planned giving allows the donor to make a gift commitment to the Foundation but delay delivery of the final benefit of the gift until a later time. Donors who make planned gifts to the Foundation may receive tax and/or income benefits. Donors may make planned gifts to the Foundation in the following ways:

Bequests; gift annuities; charitable income trusts; charitable remainder trusts; deferred payment gift annuities; making the Foundation the beneficiary and owner of an insurance policy; and, remainder interests in a personal residence, farm or other real property.

It should be noted that the laws governing such gifts are subject to revision and it is therefore extremely important to have up-to-date information on the tax consequences of such benefactions.

C. Gift of Real Estate

The Foundation welcomes opportunities to explore, with donors, gifts of real estate. In this highly specialized field, all potential gifts of real estate will be reviewed in accordance with the policies established by the Foundation Board before it is officially accepted. The board reserves the right to accept or reject all offers.

Some donors may wish to give real property to the Foundation and retain a life interest for themselves and/or spouses. Such gifts may benefit both the donor and, ultimately, the Foundation. Real estate, under certain conditions, may be used to fund life income trust whereby the donor retains a life income interest in the earnings of the trust.

D. Gifts of Art and Other Tangible Personal Property

In general, the Foundation will be grateful to receive gifts of art and other tangible personal property. Donors shall be made aware of the fact that if they give tangible personal property that has appreciated in value, their charitable deduction may be reduced somewhat if the

gift is not consistent with the programs and activities of the St. John/Hudson Educational Foundation. The most recent Internal Revenue Service regulations concerning such gifts should be consulted. The proceeds of any sale shall be applied according to the original objectives of the donor.

E. Tax Benefits to Donors of Property

The tax benefits available to a donor for a gift to the Foundation are determined by the appropriate sections of the U.S. Tax Code and applicable regulations and rulings. For nearly every type of gift, a donor is entitled to a charitable deduction for the full fair market value of the gift. To establish the most valid market value of gifts of real estate and tangible personal property, an independent appraisal may substantiate the value of the gift. The most recent Internal Revenue Service regulations concerning such gifts should be consulted.

When a donor elects to give property on which he or she would realize a long-term capital gain if sold, including gifts of securities, it is usually unwise to sell the property and give the proceeds to the Foundation. It is usually more beneficial to the donor to give the property to the Foundation.

In the case of property on which a donor has incurred a capital loss, particularly securities, it is usually more advantageous for tax purposes to sell the property and give the proceeds to the Foundation.

St. John/Hudson Community U.S.D. 350 Educational Foundation Gift Processing Procedures

Procedures to transmit, process, and acknowledge gifts have been established to aid recipients of gifts in thanking donors and to provide gift recording.

A. Transmitting Gifts to the St. John/Hudson Educational Foundation

When a solicitation results in a gift to the Foundation or when an unsolicited gift is received, the recipient of the gift should forward the gift on the same business day as it is received to the St. John/Hudson Educational Foundation office or to a designated location.

Each gift transmitted to the Foundation should be accompanied by a copy of all correspondence pertaining to the gift, including the envelope that has the donor's return address if it is not reflected on their correspondence or check. The following information must accompany each gift:

- the name and address of the donor
- the date, amount and form of the gift (check, securities, etc.)
- the type of the gift (restricted, unrestricted)
- the name of the individual who is acknowledging or should acknowledge the gift
- the name of the person who transmits the gift
- any other pertinent written or oral expressions of intent

The following procedures will be followed to ensure maximum security when transmitting a gift to the Foundation:

1. Checks payable or endorsed to the St. John/Hudson Educational Foundation shall be hand carried to the Foundation office or designated place of receipt.
2. Cash and securities shall be hand carried to the Foundation office or designated place of receipt.

B. Processing and Acknowledging Gifts

Once a gift is transmitted, the St. John/Hudson Educational Foundation records the gift as received and enters it into the gift file. The Foundation is responsible for crediting the appropriate account based on gift information provided by the donor and/or the person who received the gift.

Gifts are acknowledged by personal letters signed by the Board Chairperson. An acknowledgment of the gift will be made at the earliest opportunity, hopefully within one week of the receipt of a gift. The gift acknowledgment will also include a receipt or receipt statement.

In the case of memorial gifts, a letter mentioning the name of the donor is sent to the family of the deceased. A letter shall also be sent to the donor expressing appreciation and informing them that a letter has been sent to the family of the deceased. A similar procedure shall be followed for gifts honoring a living person.

Conclusion

The guidelines in these policies will not meet every case and contingency that may arise. Further information on the suitability of a planned approach to a donor should be sought from the St. John/Hudson Educational Foundation. Questions not covered regarding donations, etc. should be addressed to:

Executive Director
St. John/Hudson Community U.S.D. 350 Educational Foundation
406 N. Monroe
St. John, Kansas 67576
(316)549-3564

Board Chairperson
St. John/Hudson Community U.S.D. 350 Educational Foundation
Address
St. John, Kansas 67576
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