

RONALD MCDONALD HOUSE CHARITIES® OF GREATER WASHINGTON DC
GIFT ACCEPTANCE POLICY (GAP)

Ronald McDonald House Charities of Greater Washington D.C. (RMHCDC), a 501 (c) 3 *not for profit* organization organized under the laws of the District of Columbia, encourages the solicitation and acceptance of gifts by Ronald McDonald House Charities of Greater Washington D.C. for purposes that will help RMHCDC to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to RMHCDC for the benefit of any of its programs.

In 1974 the doors of the first Ronald McDonald House opened in Philadelphia. RMHCDC opened its first Ronald McDonald House in 1980 and another in 1998. Ronald McDonald House Charities of Greater Washington D.C. eases the hardship of children's illness on families through programs that help children heal faster, cope better, and stay healthy. RMHCDC makes an immediate, positive impact on children's lives through its three core programs: our two Ronald McDonald Houses, the Ronald McDonald Family Room® at Children's National Health System, and our KIDS Mobile Medical Clinic/Ronald McDonald Care Mobile®.

1. Purpose of Policies and Guidelines

RMHCDC's board of directors and its staff solicit current and deferred gifts from individuals, corporations and foundations to secure the future growth and mission of RMHCDC. It is the purpose of these policies and guidelines to govern the acceptance of gifts by RMHCDC and to provide guidance to prospective donors and their advisors when making gifts to RMHCDC. The provisions of these policies shall apply to all gifts received by RMHCDC for any of its programs or services.

The policies are to inform, serve, guide or otherwise assist donors who wish to support RMHCDC's activities, but never, under any circumstances, to pressure or unduly persuade prospective or current donors.

No gift will be accepted or program promoted that is not in the best interest of its donors or violates the policies of RMHCDC. The Chair or the Treasurer of the Board of RMHCDC, in consultation with Executive Director and Legal Counsel, may disclaim gifts to the Charity.

Ronald McDonald House Charities of Greater Washington D.C. should remain open and accessible to its donors, providing full communication of its activities, use of funds, and policies and procedures.

RMHCDC will not pay any commissions or finder's fees to any staff member or any contact representing a donor.

Requests by donors to keep their donations anonymous shall be honored in every situation.

2. Use of Legal Counsel

RMHCDC encourages every donor to consult their respective legal counsel when planning any current or deferred gift. Donors are also encouraged to consult their legal counsel and tax advisors regarding any tax benefits they may be eligible to receive.

3. Conflict of Interest

All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. RMHCDC will comply with the *Model Standards of Practice for the Charitable Gift Planner* promulgated by the Partnership for Philanthropic Planning (formerly known as the National Committee on Planned Giving).

4. Restrictions on Gifts

Ronald McDonald House Charities of Greater Washington D.C. will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission,

purposes and priorities. RMHCDC will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the document creating RMHCDC, that are too difficult to administer or that are for purposes outside the mission of RMHCDC. The Gift Acceptance Committee will then make all final decisions on the restrictive nature of the gift and its acceptance or refusal.

5. **The Gift Acceptance Committee (GAC)** The Gift Acceptance Committee (ad hoc) shall consist of members of the RMHCDC Finance Committee and other members as appointed by RMHCDC's Executive Director. The GAC is responsible for reporting its decisions on gift acceptance to the Board of Directors. The GAC is also responsible for reviewing these Policies and Procedures as needed to ensure that they remain consistent with applicable laws and RMHCDC programs.

6. **Types of Gifts:**

The following Gifts are generally acceptable:

Current Gifts:

- Cash
- Gifts of Publicly Traded Stocks & Securities
- Gifts of Life Insurance Policies
- Memorial Fund and Tributes
- Gift to a RMHCDC Endowment
- Frequent Flyer Miles
- Savings Bonds

Future Gifts:

- Bequest - A gift through a will or living trust.
- Beneficiary Designation
- Retirement Plan Assets –Designate RMHC DC as the primary beneficiary for a percentage (1 to 100 percent) of your retirement plan assets.

The following gifts may be acceptable but must first be reviewed by the Gift Acceptance Committee:

- Charitable Gift Annuity
- Charitable Remainder Trust
- Gold Coins
- Gift of Savings Bonds
- Gifts of Tangible Property
- Gifts of Real Property
- Gifts of Foreign Currency
- Life Income Gifts
- Revocable Deferred Gifts

These gifts cannot be accepted:

- Gifts of Oil, Gas & Mineral Rights.
- Gifts of Livestock/animals
- Gifts of Closely Held Business Interests

7. **The following criteria govern the acceptance of each gift form:**

- Cash: Cash is acceptable in any form. Checks shall be made payable to Ronald McDonald House Charities of Greater Washington D.C. and shall be delivered to its offices in Washington DC or Falls Church, Virginia.
- Publicly Traded Securities: RMHCDC can accept publicly traded securities subject to the provisions below:
 - ✓ Publicly Traded Securities: Marketable securities may be transferred to an account maintained in the name of RMHCDC at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Finance Committee. In some cases, applicable securities laws may restrict marketable securities; in such instance the Ronald McDonald House Charities of Greater Washington D.C. Gift Acceptance Committee shall make the final determination on the acceptance of the restricted securities.
 - ✓ Gifts of publicly traded securities will be valued at the average of the high and low publicly traded prices times the number of shares on the date complete ownership is received by RMHCDC.
- Tangible Personal Property: All gifts of tangible personal property shall be examined in-light of the following criteria:
 - ✓ Does the property fulfill the mission of RMHCDC?
 - ✓ Is the property marketable?
 - ✓ Are there any undue restrictions on the use, display or sale of the property?
 - ✓ Are there any carrying costs for the property?

The Gift Acceptance Committee of Ronald McDonald House Charities of Greater Washington D.C. shall make the final determination on the acceptance of tangible personal property gifts.

- Real Property: Gifts of real estate may include developed or undeveloped property. Prior to acceptance of real estate, RMHCDC shall require an initial environmental review of the property to insure that the property is not contaminated with environmental damage. In the event that the initial inspection reveals a potential problem, RMHCDC shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

Where appropriate, a title binder shall be obtained by RMHCDC prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to the acceptance of the real property, the gift shall be approved by the Gift Acceptance Committee of RMHCDC.

Criteria for acceptance of the property shall include:

- ✓ Is the property useful for the purposes of RMHCDC?
- ✓ Is the property marketable?
- ✓ Are there any restrictions, reservations, easements or other limitations associated with the property?
- ✓ Are there carrying costs, which may include insurance, property taxes, mortgages, notes, etc. associated with the property?
- ✓ Does the environmental audit reflect that the property is not damaged?

Gifts of real property will be valued based on a qualified independent appraisal, done within the time frame required by law.

- ✓ Cemetery/Burial Plots and Time Shares: RMHCDC cannot accept gifts of cemetery or burial plots or time shares.
- ✓ Remainder Interests in Property: RMHCDC may accept a remainder interest in a personal residence, farm or vacation property only if RMHCDC receives the remainder interest in the property, not the sale proceeds. At the death of the life tenants, RMHCDC may use the property or reduce it to cash. Where RMHCDC receives a gift of a remainder interest,

expenses for maintenance, real estate taxes, and any property indebtedness will be paid by the donor and/or primary beneficiary.

- Life Insurance: Ronald McDonald House Charities of Greater Washington D.C. must be named as both beneficiary and owner of an insurance policy before a life insurance policy can be recorded as a current gift on the books of RMHCDC. Gifts of life insurance, except for term insurance, are generally valued at the interpolated terminal reserve value that is close to, but not equal to, the current cash value amount. If the donor contributes future premium payments, RMHCDC will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, RMHCDC will not continue to pay the premiums but will either:

- ✓ Convert the policy to paid up life insurance or
 - ✓ Surrender the policy for its current cash value.
- Charitable Gift Annuities: RMHCDC may accept certain gift annuities subject to the following terms: RMHCDC offers both current and deferred charitable gift annuities to its donors. The minimum funding amount is \$25,000. RMHCDC adheres to the rates set by the American Council on Gift Annuities. The minimum age for current life income beneficiaries of a gift annuity shall be 65, and the minimum age for a deferred charitable gift annuity is age 55. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. RMHCDC will accept only cash or marketable securities for current annuities, and will consider real estate or closely held stock for deferred gift annuities with a deferral period of five years or more, with the approval of the Gift Acceptance Committee.

- Charitable Remainder Trusts: RMHCDC may accept a designation as a remainder beneficiary of the charitable remainder trust. RMHCDC will not accept an appointment as trustee of a charitable remainder trust.
- Charitable Lead Trusts: RMHCDC may accept a designation as an income beneficiary of a charitable lead trust. RMHCDC will not accept an appointment as trustee of a charitable lead trust.
- Retirement Plan Beneficiary Designation: Donors and supporters of Ronald McDonald House Charities of Greater Washington D.C. are encouraged to name RMHCDC as beneficiary of their retirement plans. Such designations shall not be recorded as gifts on the books of RMHCDC until such time as the gift is irrevocable. Where the gift is irrevocable (i.e., upon death), but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- Bequests: Donors and supporters of Ronald McDonald House Charities of Greater Washington D.C. are encouraged to make bequests to RMHCDC under their wills and trusts. Such bequests shall not be recorded as gifts on the books of RMHCDC until such time as the gift is irrevocable (i.e., upon death). Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

Once RMHCDC is notified of the death of a donor that has named RMHCDC as a beneficiary of his or her estate, RMHCDC will contact the personal representative or attorney to obtain copies of the deceased's will and estate inventory to estimate the amount of the distribution. This information will be shared with the Executive Director's staff so that it can be recorded as an outstanding receipt on the books of RMHCDC.

- Life Insurance Beneficiary Designations: Donors and supporters of Ronald McDonald House Charities of Greater Washington D.C. are encouraged to name RMHCDC as beneficiary or contingent beneficiary of their

life insurance policies. Such designations shall not be recorded as gifts on the books of RMHCDC until such time as the gift is irrevocable (i.e., upon death). Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. RMHCDC will not sell the policy to another entity.

8. Miscellaneous Provisions

- Securing appraisals and legal fees for gifts to RMHCDC: It shall be the responsibility of the donor to secure an appraisal (where required for his or her own tax return) and provide payment for independent legal counsel for all gifts made to RMHCDC. RMHCDC may obtain its own appraisal where appropriate.
- Valuation of gifts for development purposes: RMHCDC shall record a gift received by RMHCDC at its valuation for gift purposes on the date the gift is delivered to RMHCDC.
- Responsibility for IRS filings upon sale of gift items: The staff of RMHCDC is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by RMHCDC where the charitable deduction value of the item was \$5,000 or greater. RMHCDC must file this form within 125 working days of the date of sale or disposition of the asset
- Acknowledgement of all gifts: Acknowledgement of all gifts made to RMHCDC and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the staff of RMHCDC. *IRS Publication 561 Determining the Value of Donated Property* and *IRS Publication 526 Charitable Contributions* provide excellent guidance and can be downloaded from www.irs.gov.

9. Changes to Policies

These policies and guidelines have been reviewed by the RMHCDC Finance Committee and accepted by the Board of Directors. The RMHCDC Finance Committee must first approve any changes to or deviations from these policies.

Approved on the 19th day of May, 2014, by a vote of the Board of Directors, Ronald McDonald House Charities® of Greater Washington D.C.