

# ***JEWISH CONGREGATION OF MAUI FUNDRAISING AND GIFT***

## ***ACCEPTANCE POLICIES***

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### **I. Purpose**

Jewish Congregation of Maui engages in a number of fundraising activities designed to provide financial support to advance the organization's mission. The primary purpose of the *Fundraising and Gift Acceptance Policies* is to encourage high levels of financial support by clarifying fundraising guidelines and responsibilities, identifying the types of gifts that the organization can accept, and establishing appropriate procedures to provide maximum benefit to donors and to JCM.

### **II. General Guidelines**

- A. **Responsibility for Fundraising**: The Board of Directors has responsibility for raising funds to benefit JCM. While the board may delegate fundraising activities to the Executive Director, Spiritual Director or Rabbi, or professional consultants, the board retains final approval of and responsibility for all fundraising activities and acceptance of all gifts to JCM.
- B. **Honesty and Truthfulness**: JCM will make every effort to produce written and oral fundraising statements that are direct, complete, and accurate. When gifts are received as a result of specific solicitation requests, such gifts will be applied toward those stated purposes.
- C. **Coercion**: Neither JCM nor any of its associated support groups will engage in or permit others to engage in solicitation of a coercive nature. Coercive tactics may include, but not be restricted to, an implication that giving to JCM is a condition of continuing or enhancing any special interest.
- D. **Unrelated Business Income Tax**: JCM will accept no gift that will cause it to be subject to the unrelated business income tax without review and approval by the full Board of Directors.
- E. **Legal Representation and Professional Fees**: Donors will be advised to seek qualified tax and legal counsel before making any significant gift or using a life income-giving vehicle. Donors are responsible for employing and compensating their advisers and should have them prepare any legally binding documents in order to avoid any perceived conflict of interest or undue influence from JCM. JCM will seek legal counsel to review contracts and donor agreements as necessary to ensure that legally binding documents are consistent with all JCM Policies.
- F. **Prior Approval**: An annual fundraising plan will be reviewed and updated by the board Development Committee and presented to the full Board of Directors for approval.

The board

Development Committee, full Board of Directors, and JCM staff will support fundraising activities necessary to ensure JCM's successful operation and to meet strategic priorities established by the Board of Directors.

G. Donor Privacy and Confidentiality: While all information about donors and donor prospects will be managed by the Executive Director or other JCM office staff, the information will be disclosed only to those involved in solicitation strategies. Mailing lists will not be made available to outside organizations.

(1) All fundraising-related discussions concerning major gift donor prospects are strictly confidential.

(2) All information concerning financial capability, past giving patterns, specific gifts, and personal disclosures about giving interest is confidential.

Permission to publicly recognize donors and their gifts is requested for each donation. This permission is generally given when donors complete the pledge card that typically accompanies each gift. When unclear, JCM staff will solicit permission directly from donors. Donors who wish to remain anonymous may do so with every confidence that their identity will not be revealed. Additional detail on donor recognition is described in the *Donor Recognition Policy*.

H. Stewardship and Gift Acknowledgement: The Executive Director will ensure that all gifts are acknowledged promptly; acknowledgements will include all information required by the Internal Revenue Service. The Executive Director will also retain electronic copies of all acknowledgement letters, they are currently available in ShulCloud; copies will be available to donors if needed in case of loss of the original. These electronic records will be maintained in ShulCloud. If ShulCloud is no longer used, all data will need to be extracted.

JCM's acknowledgement for donated services and gifts-in-kind will not state a monetary amount but will carry a description of the gift.

I. Fundraising Purposes: JCM may raise funds for both general and specific organization needs. Fundraising activities for general needs would include annual gifts for ongoing operations. Fundraising to meet one-time needs, such as capital projects or special program initiatives, would include some or all of the following components: a well-defined need/cost; a limited time frame for the solicitation effort; a specific target group of prospective donors to be solicited; and a solicitation plan.

J. Unacceptable Gifts: JCM reserves the right to refuse any gift that is not consistent with its mission. In general, JCM cannot accept gifts that:

(1) Require any action by JCM that is deemed by the Board of Directors to be inconsistent with JCM's mission;

(2) Contain unreasonable conditions as determined by the Board of Directors;

(3) Are financially unsound or could expose JCM to liability;

(4) Require JCM to provide maintenance beyond the organization's capability as determined by the Board of Directors;

(5) Are revocable by the donor;

(6) Originate from a source deemed inappropriate by the Board of Directors;

- (7) Create a fund to provide scholarships or other opportunities that could cause embarrassment to JCM or that reserve to the donor the right to designate the specific recipient;
- (8) Require JCM to guarantee the future permanent employment of any specified persons;
- (9) Are intended to be tuition payments for a family member of the donor.

K. Honor and Memorial Gifts: Gifts of any amount made in honor or in memory of any person will be recognized as requested. Additional detail on honor and memorial gifts is described in the *Honor and Memorial Gift Policy*.

L. Naming Opportunities: The naming of any facilities, endowments, and/or specific programs will require the approval of the Board of Directors, upon the recommendation of the board Development Committee. The executive director will maintain updated documentation of the minimal amounts needed to acquire naming rights.

### **III. Unrestricted and Restricted Gifts**

#### A. Unrestricted Gifts

Unrestricted gifts carry no donor restrictions as to their use. These gifts are distributed at the discretion of JCM to respond to present and future needs as they arise. Unrestricted giving allows JCM the greatest flexibility in meeting the needs of the organization.

#### B. Temporarily Restricted Gifts

Temporarily restricted gifts carry donor-imposed restrictions limiting the purposes for which or time periods during which contributions may be used. As a general rule, JCM accepts only temporarily restricted gifts that have purpose restrictions and meet a specified minimum amount, as defined by the Board of Directors and specified in *Appendix II*. The gift is placed in a designated fund and expended for the purposes specified by the donor. Approved gifts of less than the specified amount can be restricted if the gift will be used starting in the current fiscal year. Any earnings generated from the investment of these funds may be used for unrestricted purposes.

Special consideration should be given before JCM accepts temporarily restricted gifts with time restrictions, particularly those which require the assets to be invested in restricted ways. JCM staff may request review and approval by JCM's Finance Committee before accepting such time and/or investment restrictions.

In all cases, JCM staff will work with donors of temporarily restricted gifts to determine the type of donor restrictions that will simultaneously honor donors' charitable intents and satisfy the needs of JCM.

#### C. Permanently Restricted Gifts

Permanently restricted gifts may be one-time donations that are permanently restricted to a specific purpose, such as a capital project. Other permanently restricted endowment gifts carry donor-imposed restrictions that stipulate that the initial gift must be maintained permanently as an endowment fund. Donor restrictions may specify that the earnings on these assets may be expended for temporarily restricted or unrestricted purposes.

While gifts of any size may be contributed toward an established, permanently restricted fund, new permanently restricted funds may not be established without a minimum gift, as defined by the Board of Directors and specified in *Appendix II*. Final approval of permanently restricted gifts will be granted by the Board of Directors. If such a gift is not fully funded at the time it is established, a *Conditional Memorandum of Agreement* will be prepared and executed between the donor and JCM. Such an agreement will specify that the endowment will be fully funded within a specific period of time, typically five years. The Finance Committee may grant an extension beyond the five-year period if there are extenuating circumstances and the donor intends to reach the minimum amount required. Until the endowment is fully funded, any earnings will be reinvested into the principal of the endowment.

Should the endowment not reach the minimum funding requirement in the allotted time, JCM staff will work with donors to determine alternative options for serving the same donor-designated purposes with the gift.

In the event that the purpose designated by a donor should cease to exist, JCM staff will work with that donor – or with the donor’s representatives – to determine alternative options for serving the original purpose. If the donor is deceased and no family or representatives are involved, JCM reserves the right to apply the funds to other purposes that, in its estimation, most closely meet the donor’s original purpose.

It is the responsibility of JCM to provide donors with regular reports on the performance of their temporarily and permanently restricted gifts, including but not limited to status of gifts, what has been awarded and expended, appreciation, and balance of principal.

## **IV. Options for Giving**

### **A. Outright Gifts**

Outright gifts to JCM may consist of cash, securities, gifts-in-kind, real estate, or other assets. These gifts are immediately available to be used to support JCM.

#### **(1) Cash**

Cash gifts include checks, credit cards, and other monetary equivalents.

#### **(2) Securities**

Gifts of publicly traded securities (stocks and bonds) may be donated to support JCM. Such securities may be transferred to JCM in physical form or via a direct transfer. JCM reserves the right to accept or decline gifts of stock in non-publicly-traded companies.

JCM staff has prepared complete instructions for making a gift of securities and will provide these to donors who wish to make such a gift.

### (3) Gifts-in-Kind

Gifts-in-kind are non-cash donations of materials or long-lived assets that are donated to support JCM. JCM reserves the right to accept or decline gifts-in-kind based on the JCM's ability to use the gift for the organization's benefit. JCM may liquidate a gift at any time. It is the responsibility of donors to determine the value of the in-kind gift; JCM may not establish the value of the gift. For gift-in-kind donations above a specified monetary level set by the Internal Revenue Service, donors must also obtain a valid appraisal. If applicable, both JCM and donors will need to file appropriate IRS forms.

JCM staff has prepared complete instructions for making a gift-in-kind donation and will provide these to donors who wish to make such a donation.

### (4) Real Estate

A gift of real estate property can be donated to support JCM. However, JCM's ability to accept gifts of real estate depends upon a number of factors, including current market conditions, environmental risk assessment, and other hazards. As a result, JCM reserves the right to accept or decline such gifts based on the organization's ability to use the gift for the JCM's benefit. Acceptance of gifts of real estate property require approval by the Board of Directors.

JCM staff has prepared complete instructions for making gifts of real estate property and will provide these to donors who wish to make such a gift.

## B. Deferred Gifts

Deferred gifts are those in which JCM is named as the irrevocable beneficiary of a gift upon the death of the donor. With certain types of deferred gifts, such as charitable remainder trusts and charitable gift annuities, the donor also ensures a lifetime income for specified beneficiaries.

The donor may designate the purpose for the use of a deferred gift, consistent with Section III of this policy. If the purpose is to create an endowment, the amount of the present value of the deferred gift will be used to determine whether the gift satisfies applicable minimum contributions for specific types of endowments as listed in *Appendix II*.

Any unrestricted deferred gift received by JCM will be directed to an appropriate fund, as recommended by the Finance Committee and approved by the Board of Directors.

JCM welcomes the following types of deferred gifts that satisfy minimum gift requirements as defined by the Board of Directors and specified in *Appendix II*.

- a. Life Insurance
- b. Bequests
- c. Charitable Trusts
- d. Perpetual Third Party Trusts
- e. Retained Life Estates

Descriptions of these deferred gifts are set forth in *Appendix I*. In all cases, JCM staff will work carefully with donors to clarify their intent; document any restrictions on the gift; design the most appropriate deferred gift vehicle to simultaneously honor donors' wishes and meet the needs of JCM; guide donors through observance of all requirements associated with structuring the deferred gift; and set up appropriate reporting schedules. Donors will be advised to seek qualified tax and legal counsel as described in Section II of this policy.

Other deferred gifts will be accepted with a approval from both the executive director and the Board of Directors.

JCM reserves the right to accept or decline a proposed deferred gift.

### C. Matching Gifts

As a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code, JCM is eligible to receive matching funds from most corporate matching gift programs. Matching funds received will be directed to the same purpose as was the original gift.

## V. **Policy Implementation**

As indicated throughout this policy, specific procedures will be developed in order to ensure that appropriate gift acceptance and fundraising plans are in place. JCM staff, under the direction of the executive director is responsible for designing such procedures so that this policy is fully implemented.

The executive director will provide periodic reports to the Board of Directors on the status of gift acceptance and fundraising implementation procedures.

The Board of Directors will periodically review the *Fundraising and Gift Acceptance Policies*.

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## ***APPENDIX I***

### ***DEFERRED GIFT OPPORTUNITIES DEFINED***

#### **Life Insurance**

Life insurance may be gifted to JCM either by designating JCM as a full or partial beneficiary of a life insurance policy or by naming JCM as the owner and beneficiary of the policy. The donor may also name JCM as successor beneficiary in case of prior deaths of other individual beneficiary(ies) named in the policy.

#### **Bequest**

To make a contribution through a will bequest, donors should name JCM as beneficiary. The will can designate that the bequest be unrestricted or describe specific purpose restrictions.

When JCM is aware in advance of the donor's intent to make a bequest, the development staff will work with the donor to document any donor restrictions on the gift.

#### **Charitable Trusts**

JCM may be named as the beneficiary of the remainder interest in a variety of charitable trusts. Normally, these are created at the direction of donors with the counsel of their advisors. The administration of the trust is performed by the donors or by organizations they select.

JCM may serve as a trustee for charitable trusts that names JCM as the irrevocable beneficiary. JCM may work with donors and third-party administrators to manage these instruments. Exceptions to this management structure will be reviewed on a case-by-case basis by JCM.

#### **Perpetual Trusts Held by Third-Party**

A perpetual trust is an agreement whereby a donor establishes and funds a perpetual trust administered by an individual or organization other than JCM. JCM has the irrevocable right to receive the income earned by the trust but never receives the actual assets in the trust. The donor may place restrictions on the income distributions.

#### **Retained Life Estates**

A retained life estate occurs when a gift is made of personal real property, such as a residence, in which the donor reserves the right to use such property during the lifetime (or a term of years) of the donor or other resident beneficiary. The donor will receive a charitable deduction equal to the remainder interest in the property computed at the appraised market value of the property less

the calculated value of the retained life use.

JCM will consider the same issues in accepting the gift of a retained life estate as those in an outright gift of real estate. The responsibility for property taxes, improvements and maintenance, and liability of JCM versus the individuals will be carefully detailed in the retained life estate agreement between the donor and JCM.

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***APPENDIX II***

***MINIMUM GIFT AMOUNTS***

<b>Temporarily Restricted Gifts</b>	<b>\$2,500</b>
<b>New Endowment Fund</b>	<b>\$100,000</b>
<b>Program Enrichment Fund</b>	<b>\$2,500</b>
<b>Charitable Trusts in which JCM serves as a trustee</b>	<b>\$100,000</b>





