

Nickers 'n Neighs Therapeutic Riding Center

Gift Acceptance Policies and Guidelines

PURPOSE

The Board of Directors of Nickers 'n Neighs Therapeutic Riding Center and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of Nickers 'n Neighs. These policies and guidelines govern the acceptance of gifts by Nickers 'n Neighs and provide guidance to prospective donors and their advisors when making gifts. The provisions of these policies shall apply to all gifts received by Nickers 'n Neighs for any of its programs or services.

POLICY

A. Use of Legal Counsel

Nickers 'n Neighs Therapeutic Riding Center shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Documents naming Nickers 'n Neighs Therapeutic Riding Center as Trustee.
3. Gifts involving contracts, such as bargain sales or other documents requiring Nickers 'n Neighs Therapeutic Riding Center to assume an obligation.
4. Transactions with potential conflict of interest that may invoke IRS sanctions.
5. Other instances in which use of counsel is deemed appropriate by the Executive Committee.

B. Conflict of Interest

Nickers 'n Neighs Therapeutic Riding Center will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Nickers 'n Neighs Therapeutic Riding Center will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

C. Donor Confidentiality

Nickers 'n Neighs Therapeutic Riding Center will protect the confidentiality of donors who request anonymity by ensuring that such donor's names are not published or listed in newsletters, articles, annual reports, or other publicly available documents regarding the organization.

D. Donor Bill of Rights

Nickers 'n Neighs Therapeutic Riding Center will assure that donors and prospective donors can have full confidence in the center and programs and activities they are asked to support. Nickers 'n Neighs Therapeutic Riding Center will adhere to the Donor Bill of Rights which appears as an Appendix to this policy.

E. Inappropriate Gifts

Nickers 'n Neighs Therapeutic Riding Center may accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. Nickers 'n Neighs Therapeutic Riding Center will not accept gifts that are too restrictive in purpose in light of center's goals and objectives.

Gifts that are inappropriate for acceptance include, but are not limited to:

- Those that violate the terms of the corporate charter / by-laws,
- Gifts that are too difficult to administer,
- Gifts that are for purposes outside the mission of Nickers 'n Neighs Therapeutic Riding Center, gifts that (in the judgment of the Board of Directors or the Executive Committee) would tend to have a negative effect on the organization.

F. Acknowledgements

1. All gifts will be acknowledged within three business days using appropriate thank you letters based on gift level. If receipts are included, they must feature the wording required by the IRS.
2. During January of each year, checks written with a previous year's date will only be accepted until January 15.

G. Types of Gifts

1. The following gifts are acceptable:

- a. Cash
- b. Tangible Personal Property (including horses)
- c. Securities
- d. Real Estate
- e. Remainder Interests in Property
- f. Oil, Gas, and Mineral Interests
- g. Bargain Sales
- h. Life Insurance
- i. Charitable Gift Annuities
- j. Charitable Remainder Trusts
- k. Charitable Lead Trusts
- l. Retirement Plan Beneficiary Designations
- m. Bequests
- n. Life Insurance Beneficiary Designations

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

a. Cash:

Cash is acceptable in any form. Checks shall be made payable to Nickers 'n Neighs Therapeutic Riding Center and shall be delivered to the Payroll/Fiscal Assistant in the administrative office.

b. Tangible Personal Property:

1. All gifts of tangible personal property, including gifts in kind (i.e., equipment, software, or a product) shall be examined in light of the following criteria:
 - Does the property fulfill the mission of Nickers 'n Neighs Therapeutic Riding Center?
 - 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?

2. If you are interested in donating your horse to our program, we will need the following:
 1. A brief letter of intent to Nickers 'N Neighs Therapeutic Riding Center (mainly stating that you wish to donate your horse, along with a description of the horse—name, breed, age, gender, height, and background information).
 2. A copy of all recent vaccinations and deworming schedule.
 3. A copy of current Coggins test.
 4. Any vet records that might be needed to determine eligibility for our program.

More information about Horse Donations can be found in the “Horse Donation Guide” in the appendix of this document.

The final determination on the acceptance of other tangible property gifts shall be made by the Board of Directors of Nickers 'n Neighs Therapeutic Riding Center.

c. Securities:

Nickers 'n Neighs Therapeutic Riding Center can accept both publicly traded securities and closely held securities.

Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Investment Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Board of Directors of Nickers 'n Neighs Therapeutic Riding Center.

Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Board of Directors of Nickers 'n Neighs Therapeutic Riding Center. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent Nickers 'n Neighs Therapeutic Riding Center from ultimately converting those assets to cash,
- The security is marketable, and
- The security will not generate any undesirable tax consequences for Nickers 'n Neighs Therapeutic Riding Center.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Board

of Directors of Nickers 'n Neighs Therapeutic Riding Center and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

d. Real Estate:

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, Nickers 'n Neighs Therapeutic Riding Center shall require a Phase 1 environmental survey of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, Nickers 'n Neighs Therapeutic Riding Center 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. When appropriate, a title binder shall be obtained by Nickers 'n Neighs Therapeutic Riding Center 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 acceptance of the real property, the gift shall be approved by the Board of Directors and by Nickers 'n Neighs' legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of Nickers 'n Neighs?
- 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, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

e. Remainder Interests In Property:

Nickers 'n Neighs will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph **d.** above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, Nickers 'n Neighs may use the property or reduce it to cash. Where Nickers 'n Neighs receives a gift of a remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor or primary beneficiary.

f. Oil, Gas, and Mineral Interests:

Nickers 'n Neighs may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Board of Directors, and if necessary, by the center's legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).

The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.

A working interest is rarely accepted. A working interest may only be accepted where when there is a plan to minimize potential liability and tax consequences.

The property should undergo an environmental review to ensure that Nickers 'n Neighs has no current or potential exposure to environmental liability.

g. Bargain Sales:

Nickers 'n Neighs will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of Nickers 'n Neighs. All bargain sales must be reviewed and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:

- Nickers 'n Neighs must obtain an independent appraisal substantiating the value of the property.
- If Nickers 'n Neighs assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- Nickers 'n Neighs must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.
- Nickers 'n Neighs must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

h. Life Insurance:

Nickers 'n Neighs Therapeutic Riding Center must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, Nickers 'n Neighs 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, Nickers 'n Neighs may:

- Continue to pay the premiums,
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

i. Charitable Gift Annuities:

Nickers 'n Neighs Therapeutic Riding Center may offer charitable gift annuities. The minimum gift for funding is \$5,000. Nickers 'n Neighs Therapeutic Riding Center Executive Director may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum

age for life income beneficiaries shall be 45. 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. The Board may approve exceptions to this payment schedule. Nickers 'n Neighs Therapeutic Riding Center will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. Nickers 'n Neighs Therapeutic Riding Center may accept real estate, tangible personal property, or other liquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Board approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to Nickers 'n Neighs Therapeutic Riding Center's general operating funds, or to such specific fund as designated by the donor.

j. Charitable Remainder Trusts:

Nickers 'n Neighs Therapeutic Riding Center may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Board. Nickers 'n Neighs Therapeutic Riding Center will not accept appointment as Trustee of a charitable remainder trust.

k. Charitable Lead Trusts:

Nickers 'n Neighs Therapeutic Riding Center may accept a designation as income beneficiary of a charitable lead trust. The Board of Nickers 'n Neighs Therapeutic Riding Center will not accept an appointment as Trustee of a charitable lead trust.

l. Retirement Plan Beneficiary Designations:

Donors and supporters of Nickers 'n Neighs Therapeutic Riding Center will be encouraged to name Nickers 'n Neighs Therapeutic Riding Center as beneficiary of their retirement plans. Such designations will not be recorded as gifts to Nickers 'n Neighs Therapeutic Riding Center until such time as the gift is irrevocable. When 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.

m. Bequests:

Donors and supporters of Nickers 'n Neighs Therapeutic Riding Center will be encouraged to make bequests to Nickers 'n Neighs Therapeutic Riding Center under their wills and trusts. Such bequests will not be recorded as gifts to Nickers 'n Neighs Therapeutic Riding Center until such time as the gift is irrevocable. When 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.

n. Life Insurance Beneficiary Designations:

Donors and supporters of Nickers 'n Neighs Therapeutic Riding Center will be encouraged to name Nickers 'n Neighs Therapeutic Riding Center as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to Nickers 'n Neighs Therapeutic Riding Center until such time as the gift is irrevocable. 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.

RESPONSIBILITIES

BOARD OF Directors

Board of Directors approves acceptance of property, securities and other types of deferred gifts to Nickers 'n Neighs Therapeutic Riding Center.

EXECUTIVE DIRECTOR

Facilitates gift acceptance policies.

APPENDICES

1. National Committee on Planned Giving: Model Standards of Practice for the Charitable Gift Planner
2. Donor Bill of Rights

APPENDICES TO 02.05.00.00

National Committee on Planned Giving: Model Standards of Practice for the Charitable Gift Planner

Preamble

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 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 is 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 Advisers

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 advisers 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 Planner, 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 Planner 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.*

A Donor Bill of Rights

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I.

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II.

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III.

To have access to the organization's most recent financial statements.

IV.

To be assured their gifts will be used for the purposes for which they were given.

V.

To receive appropriate acknowledgement and recognition.

VI.

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII.

To expect that all relationships with individuals representing the organization of interest to the donor will be professional in nature.

VIII.

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX.

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X.

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

DEVELOPED BY

Association of Fundraising Professionals (AFP)
Association of Healthcare Philanthropy (AHP)
Council for Advancement and Support of Education
(CASE)
Giving Institute: Leading Consultant to Non-Profits

ENDORSED BY

(in formation)
Independent Sector
National Catholic Development Conference (NCDC)
National Committee on Planned Giving (NCPG)
Council for Resource Development (CRD)
United Way of America