



## **GIFT ACCEPTANCE POLICIES AND GUIDELINES**

ZERO TO THREE: National Center for Infants, Toddlers, and Families, a not for profit, 501(c)(3) organization, encourages the solicitation and acceptance of gifts to ZERO TO THREE (ZTT) for purposes that will help to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to ZTT or for the benefit of any of its programs.

ZERO TO THREE's mission is to ensure that all babies and toddlers have a strong start in life. At ZERO TO THREE, we envision a society that has the knowledge and will to support all infants and toddlers in reaching their full potential.

### ***I. Purpose of Policies and Guidelines***

The Board of Directors of ZTT and its staff solicit gifts from individuals, corporations, and foundations to secure the future growth and mission of ZTT. These policies and guidelines govern the acceptance of gifts by ZTT and provide guidance to prospective donors and their advisors when making gifts to ZTT.

### ***II. Confidential Information***

All information about donors or prospective donors, including names, beneficiaries, gift amounts, estate sizes, etc. will be kept strictly confidential by ZTT and its authorized staff unless permission is obtained from the donor to release the information.

### ***III. Conflict of Interest***

ZTT urge 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. ZTT will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Association of Charitable Gift Planners, found in Appendix A.

### ***IV. Restrictions on Gifts***

ZTT will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission, purposes, and priorities. ZTT will not accept gifts that are too restrictive in purpose.

### ***V. Gift Acceptance Committee***

The Gift Acceptance Committee (GAC) is charged with the responsibility of reviewing and making determinations on non-routine gifts as outlined below. The GAC does not meet regularly but can be activated as needed. Any GAC review shall include at a minimum four of the following members:

- The Executive Director
- The Chief Development and Strategy Officer
- The Board President
- The Board Vice-President
- The Treasurer
- The Chair of the Development Committee

The Executive Director and Board Chair may invite participation from additional Board members, staff, or external counsel as needed. The Executive Director will also communicate with the Executive Leadership Team and invite relevant members to consult with the GAC as needed.

### ***VI. Gift Acceptance Review Process***

All gifts donated to ZTT from non-governmental sources are covered by this policy and shall adhere to the process outlined below. Gifts fall into two primary categories and the processes for each are outlined.

- 1) **Routine gifts** may be accepted subject to staff review, without approval from the Board or outside counsel. These gifts include cash, unrestricted publicly traded securities, tangible personal property and those gifts that are liquid/readily marketable, not difficult to administer and do not otherwise expose ZTT to legal or reputational risk.
- 2) **Non-Routine gifts** may be accepted subject to further review, as set forth in this policy. These gifts are non-routine for two distinct reasons and their review process differs based on the type of potential risk they pose.



**a) Gifts that pose a potential reputational risk**

Any gift that may expose ZTT to legal or reputational risk, including adverse publicity or gifts that are potentially inconsistent with ZTT's mission, strategic plan or budgetary priorities will be reviewed by the Gift Acceptance Committee who will make a recommendation to the Board Executive Committee for a decision or, if deemed necessary by the Executive Committee, to the full Board for a decision.

In determining whether to accept a non-routine gift, with potential reputational risk, ZTT shall be guided by the following principles:

- As a nonprofit working to improve the lives of infants and toddlers and their families, we are dependent on the philanthropic community to sustain our programs and fulfill our mission.
- With respect to certain prospective donors, we acknowledge the potential reputational risk to ZTT posed by accepting funding. The extent of this risk must be considered when determining whether to accept funds, along with the other principles noted in this policy. If ZTT ultimately concludes to accept the funds, we in no way are condoning the alleged behavior of a specific donor or entity.
- Unless our acceptance of a gift could undermine ZTT's ability to fulfill its mission, our priority must be to sustain and expand our critical programs and mission and we must recognize there is a cost to not accepting funds that support this effort.

• ***Specific questions to be answered, evaluated, and rated low, medium, and high as related to risk:***

- Does the potential negative impact (including publicity and possible public demonstrations) that could result from accepting the proposed gift outweigh the good that ZTT could do with the funds?
- Are the particular donor actions/charges directly in contrast with ZTT's mission and will they be particularly troubling to our other donors and constituents?
- Is the donor requiring recognition beyond the ways in which ZTT normally acknowledges a gift, or in ways that ZTT is unwilling to acknowledge this particular gift?
- Do the terms of the gift acceptance imposed by the donor unduly burnish the reputation of the donor?

**b) Gifts that are complex to accept or manage, and/or pose a financial risk**

Gifts that may require undue expenditures, impose special or excessive responsibilities on ZTT staff or contain unusual or problematic conditions of purposes will be reviewed by the Gift Acceptance Committee who will make a recommendation to the Board Executive Committee for a decision.

Details regarding the types of gifts ZTT will accept are found in Appendix B. ZTT shall seek the advice of legal and/or other professional counsel in matters relating to acceptance of such gifts as appropriate.

***VIII. Changes to Gift Acceptance Policies***

These policies and guidelines have been reviewed by the Board Development Committee and referred to the Executive Committee for approval. The Executive Committee/ or Board must approve any changes to or deviations from these policies.

*Approved on January 29, 2024, by the Executive Committee on the Board*



***Appendix A: Model Standards of Practice for the Charitable Gift Planner***

A code of ethical practice for all professionals who work together to structure gifts that balance the interests of the donor and the purposes of the charitable institution.

**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 as such 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 finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are 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 ADVISORS

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 advisors 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 Planners, 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 Planners 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.



## **APPENDIX B: TYPES OF GIFTS**

**1. Cash:** Cash is acceptable in any form. Checks shall be made payable to ZERO TO THREE and shall be mailed or delivered to ZTT's Washington, DC offices or transferred via Electronic Fund Transfers (EFT) directly to ZTT's bank account.

**2. Tangible Personal Property:** All gifts of tangible personal property shall be examined considering the following criteria:

- Does the property fulfill the mission of ZTT?
- 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?

**3. Securities:** ZTT 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's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Executive Director, Chief Financial Officer, or Finance Committee. In some cases, applicable securities laws may restrict marketable securities; in such an instance the Finance Committee shall make the final determination on the acceptance of the restricted securities.

**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 Finance Committee of ZTT. However, these gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent ZTT from converting it to cash,
- the security is marketable, and
- the security will not generate any undesirable tax consequences for ZTT.

**4. 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, shall require an initial environmental review of the property to ensure that the property has no environmental damage. When appropriate, a title binder shall be obtained prior to the acceptance of the real property gift. The cost of this title binder shall be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Finance Committee of ZTT and by ZTT's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of ZTT?
- 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?

**5. Remainder Interests in Property:** Gifts of remainder interest in a personal residence, farm, or vacation property will be accepted. 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, ZTT may use the property or reduce it to cash. In the event that ZTT 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.

**6. Oil, Gas, and Mineral Interests:** ZTT 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 Finance Committee, and if necessary, by ZTT'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 when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that ZTT has no current or potential exposure to environmental liability.

**7. Bargain Sales:** ZTT will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purpose of ZTT. All bargain sales must be reviewed and recommended by the Finance Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:

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

**8. Life Insurance:** ZTT must be named as both the 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, ZTT 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, ZTT may:

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

**9. Charitable Gift Annuities:** ZTT may offer Charitable Gift Annuities. 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. ZTT's Executive Director, Chief Financial Officer and Finance Committee may approve exceptions to this payment schedule.

**10. Charitable Remainder Trusts:** ZTT may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Finance Committee. ZTT will not accept appointment as Trustee of a charitable remainder trust.

**11. Charitable Lead Trusts:** ZTT may accept a designation as income beneficiary of a charitable lead trust. ZTT will not accept an appointment as Trustee of a charitable lead trust.

**12. Retirement Plan Beneficiary Designations:** Donors and supporters of ZTT will be encouraged to name ZTT as beneficiary of their retirement plans. Such designations will not be recorded as gifts to ZTT until such time as the gift is irrevocable. When the gift is revocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**13. Bequests:** Donors and supporters of ZTT will be encouraged to make bequests to ZTT under their wills and trusts. Such bequests will not be recorded as gifts to ZTT 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.



**14. Life Insurance Beneficiary Designations:** Donors and supporters of ZTT will be encouraged to name ZTT as a beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to ZTT until such a time as the gift is irrevocable. Where the 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.

**15. Donor Advised Funds (DAF) and Community Foundations (CF):** Donor advised funds are component parts of Community Foundations or other third-party commercial entities that are recognized as stand-alone 501(c)(3) tax-exempt charitable organizations. A donor may recommend that a DAF or CF make a gift to ZTT, and in these occasions, the donor will not receive a tax receipt from ZTT as that will be issued from the third-party that has legal control over the gift.

**16. Sponsorships:** Sponsorships are typically encouraged for underwriting events. They are generally considered gifts unless the sponsor receives something that has tangible value as part of the sponsorship, such as meals or event tickets. In these circumstances, the value of the item received must be subtracted from the sponsorship amount. Sponsors may receive recognition for the gift at events or on materials or websites.

**17. Crypto Currency:** Gifts of cryptocurrency (convertible virtual currency) will be evaluated by the Finance Committee or the GAC on a case-by-case basis. Any gifts of cryptocurrency that are accepted will be received and converted to US dollars via a third-party relationship such as Fidelity Charitable, or similar. Because of the volatility of the value of cryptocurrencies, unlike marketable securities, the internal gift value recorded in the advancement CRM and will be the amount in US dollars after conversion, not the value at the time of transfer from the donor.