

Homeless Youth Connection Board Policy on Gift Acceptance

Acceptance Date: January 15, 2015

Implementation Date: January 15, 2015

Homeless Youth Connection, Inc. (HYC) relies on charitable contributions to fulfill its mission. While HYC prefers unrestricted gifts, it recognizes and encourages appropriate collaborations with a variety of stakeholders, including donors that ensure careful control of the content and integrity of its programs and fiscal responsibility.

HYC will encourage donors to see their own legal or tax counsel before making a gift.

HYC depends on support from direct public and private sources—corporations, foundations, ecumenical and service organizations, individuals, government entities and Indirect donations through organizations such as United Way. HYC acknowledges all donations in writing.

Donors may also offer gifts in the form of cash, securities, deeds of trust, insurance and benefits (life insurance, annuities, IRAs and pension benefits), real property and tangible personal property. Income tax benefits of a gift are always relevant to private Donors, and the method of acknowledgment, the type of use, and the holding period by HYC can affect the tax deductions allowed for the Donor.

Such support may be offered to HYC totally without restriction. Other support may be subject to various conditions or restrictions, such as to what use it may be applied (particular programs), in whose name it will be held and/or applied (memorials), the portion currently available (endowment gift with only income currently available), and timing of receipt (pledge of amount to be paid over several years), among others.

Unrestricted Gifts

Gifts that are unrestricted will be generally added to HYC's general funds and used for operation of HYC and its programs.

Cash. HYC promptly acknowledges each cash (including cash, check, money order, credit card, etc.) gift, in the amount received, subject to approval only if any portion of the gift is restricted as to use or delayed (as in a pledge of future payment).

Cash Equivalents. Gift cards are considered cash equivalents and are welcome as donations. They are valued at face value. Coupons or documents requiring a purchase are not acceptable as donations.

Securities. Securities (stocks, bonds, mutual funds) donated to HYC should be readily marketable securities (those traded on recognized exchanges).

Marketable Securities. HYC readily accepts marketable securities, which may be delivered in certificate form or transferred to HYC's brokerage account from the Donor's brokerage account.

Marketable Securities con't. The value acknowledged to the Donor (per IRS regulations) is the mean between the high and low trades on the date of receipt by HYC, or, if there were no trades on that day, the mean between the bid and asked prices on that day. No approval is required prior to acceptance, unless the gift is restricted or delayed. The policy of HYC is to sell all such securities as soon as possible after receipt. HYC does not intend to hold any securities as investments. Therefore, securities will be liquidated as soon as is practicable.

Insurance and Benefits. Acceptance of life insurance policies, annuities, and pension/IRA benefits is subject to prior approval by the Executive Committee. Since receipt of such gifts by HYC is usually deferred, often until after the death of the Donor, valuation is not normally an issue. However, the Executive Committee will consider any request for valuation.

Real Property. HYC may accept interests in real property, including residences, vacation property, condominiums, apartment complexes, undeveloped land, leases, and possibly time-shares, but only after approval by the Executive Committee. It is anticipated that such interests will be valued, and the value acknowledged to the Donor, according to current regulations of the IRS, which may include appraisals provided by the Donor. Environmental assessment reports, at the expense of the Donor, may also be required. HYC may seek to liquidate all such real property interests as soon as possible, within the context of terms of acceptance by the Executive Committee.

Tangible Personal Property. HYC acknowledges gifts of two categories of tangible personal property – (i) items to be used by HYC in its operations, as part of its purpose and mission; and (ii) other items:

Items Used in Operations

In-kind items. HYC welcomes in-kind donations of age appropriate new and gently used clothing for teens as well as related items such as school supplies, backpacks, blankets, towels, hygiene products, bicycles, and other items appropriate for high school students. Items which are donated and not appropriate will be passed on to other organizations. We do not accept used undergarments. HYC values items according to current IRS regulations. Distribution of items received is at the sole discretion of HYC. Donors may not designate items for specific students.

In connection with certain fundraisers HYC welcomes donations for the purpose of furthering fundraising efforts. These include a variety of soft and hard goods that have a ready market. HYC values items according to current IRS regulations. For fundraising purposes, HYC accepts gift certificates and other negotiable documents for good or services that may require the recipient to expend additional funds, for example, a certificate for a fixed amount at a restaurant or resort.

Certain Works of Art. Works of art, including, without limitation, paintings, drawings, sketches, sculptures, photographs, lithographs, prints, and similar artistic creations, which, in the sole discretion of HYC, can be displayed as an integral part of presentation of the purpose and mission of HYC, will be accepted for such purposes, subject to approval of acceptance by the Executive Committee. It is anticipated that such items will be valued, and the value acknowledged to the Donor, according to current regulations of the IRS, which may include appraisals provided by the Donor. HYC shall have and retain the sole right to determine method of use, placement, and display of such items, including, without limitation, whether such items shall be used, placed, displayed, accessioned or deaccessioned from time to time.

Materials and Equipment. Donations of tangible personal property, often characterized as inventory such as in-kind merchandise, equipment (machinery, computers), and services (such as printing or advertising), can be of considerable value to HYC. It is anticipated that such items will be valued, and the value acknowledged to the Donor, according to current regulations of the IRS, which may include appraisals provided by the Donor. HYC shall have and retain the sole right to determine method of use, placement, and display of such items, including, without limitation, whether such items shall be used, placed, displayed, or sold, from time to time.

Other Tangible Personal Property Tangible personal property which cannot be used by HYC in its operations and displays, such as vehicles, boats, airplanes, jewelry, antiques, collections, and similar items, will be accepted, subject to prior approval by the Executive Committee. It is anticipated that such items will be valued, and the value acknowledged to the Donor, according to current regulations of the IRS, which may include appraisals provided by the Donor. HYC will normally sell such items as soon as reasonably possible after receipt—this will require additional reporting of results of sales to the IRS, which may affect the Donor's allowable deduction for income tax purposes.

Restricted Gifts

All categories of gifts listed above for unrestricted gifts also apply to restricted gifts, either temporarily or permanently restricted.

Endowments

HYC does not currently have an Endowment Fund. However, the Executive Committee would be pleased to discuss endowment opportunities. Any proposed endowment funds would be subject to approval by HYC's Executive Committee.