

USHJA POLICY STATEMENT

Subject: Gift Acceptance Policy

Policy Number: FOU101

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United States Hunter Jumper Association, Inc. and USHJA Foundation, Inc.

Gift Acceptance Policy

The mission of the United States Hunter Jumper Association, Inc. (“USHJA”), a New York non-profit corporation, as the official hunter/jumper affiliate of the United States Equestrian Federation, is to unify and represent the hunter and jumper disciplines of competitive equestrian sport through education, recognition, and sport programs.

In 2008, USHJA’s independent, not-for-profit supporting organization, the USHJA Foundation, Inc. (the “Foundation”), was incorporated. Its mission is to advance the educational, humanitarian, and competitive programs of the USHJA and it fulfills this role by soliciting and receiving charitable contributions from individuals and entities. The Foundation will help diversify the USHJA’s funding base and support the USHJA’s tax-exempt mission.

Collectively, the USHJA and the Foundation are referred to as “the Organizations” in this policy.

Purpose

The purpose of this Policy is to provide guidance to:

- Representative(s) of the Organizations who may be involved in the acceptance of gifts,
- Outside advisors who may assist in the gift planning process, and
- Prospective donors who may wish to make gifts to USHJA.

This Policy is intended only as a guide. It is not intended to provide any legal or accounting advice to potential donors, who should seek independent professional advice regarding gifts. Although the Policy allows for flexibility on a case-by-case basis, the gift review process outlined below should be closely followed.

Gift Acceptance Criteria

The Organizations solicit and accept gifts that are consistent with their missions, and that support the USHJA’s core programs, as well as special projects.

Donations may be accepted from individuals, partnerships, corporations, foundations, donor advised funds, and other entities.

When considering whether to solicit or accept gifts, the Organizations will consider the following factors:

1. Values—whether the acceptance of the gift compromises any of the core values of the Organizations;
2. Compatibility—whether there is compatibility between the intent of the donor and the Organizations' use of the gift;
3. Public Relationships—whether acceptance of the gift will damage the reputation of either Organization;
4. Primary Benefit—whether the primary benefit is to the Organizations versus the donor
5. Consistency—is acceptance of the gift consistent with prior practice;
6. Form of Gift—is the gift offered in a form that the Organizations can use without incurring substantial expense or difficulty; and
7. Effect on Future Giving—will the gift encourage or discourage future gifts; will the gift create an administrative burden, or will the gift cause the Organizations to incur excessive expenses.

All decisions to solicit and/or accept potentially controversial gifts will be made by the Foundation Board of Directors in consultation with the Association's Executive Director. The primary consideration will be the impact of the gift on the Organizations.

With Restrictions and Without Restrictions gifts and bequests

Gifts and Bequests naming the Organizations as a beneficiary can be of two general types:

1. **Without Restrictions (Unrestricted)** – the donor has not identified a specific purpose(s) or time requirement for which the gift or Bequest should be used. Board designated donations are included in this category, and include donations for which the Organizations' Board of Directors have designated for a specific purpose or time requirement.
2. **With Restrictions (Temporarily or Permanently Restricted)** – the donor has identified a specific purpose(s) or time requirement for which the gift or Bequest should be directed. The Organizations shall then determine how the assets comprising such a gift or Bequest shall be used by the Organizations in accordance with the donor's wishes.

Gift Review Process and Gift Acceptance

The donor and the Association's Development Director will work together to determine the donor's intent for donations with restrictions or without restrictions.

All gifts made to the Organizations including all Bequests, shall initially be reviewed by the Development department.

Gifts Without Restrictions (Unrestricted Gifts) or Bequests when accepted will be directed to the Foundation General Fund, unless otherwise specified by the Organizations' Boards of Directors or the Association's Executive Director.

Determination of acceptance of **Gifts with Restrictions or Bequest** shall be made by the Association's Executive Director. If the Association's Executive Director is uncertain as to whether the restricted gift or Bequest should be accepted, the matter will be referred to the Foundation Board of Directors for determination.

If the Association's Development Director and the Association's Executive Director believes that a gift should be declined by the Organizations or has any concerns as to whether any gift (regardless of the amount) should be accepted, the Association's Executive Director shall refer such a matter to the Foundation Board of Directors.

The Foundation Board of Directors, upon the determination, may decline any gift for any reason, including without limitations, because the gift does not satisfy one the above seven (7) "Gift Acceptance Criteria".

For each gift that is declined, the Organization shall inform the donor (or, as applicable, the donor's representatives) that the Organization cannot accept the gift, and if applicable, shall promptly return the gift to the donor (or, as applicable, the donor's representatives).

Types of Gifts Accepted

The following gifts are acceptable but not intended to represent an exclusive list of appropriate gifts:

Gifts Generally Accepted Without Review –

1) Cash. Cash refers to cash equivalents, including checks, money orders, currency/coin, and credit card payments.

2) Marketable Securities. Marketable securities may be transferred electronically to an account maintained at the Organizations' brokerage firms. As a general rule, marketable securities are evaluated by the Organizations' investment advisor in accordance with the investment policy for acceptability. Should the security be deemed unacceptable, it shall be sold and reinvested in accordance with the Organizations' investment policy approved by the Organizations' Boards of Directors. 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 Foundation Board of Directors.

3) Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans. Donors are encouraged to make bequests to the Organizations under their wills, and to name the Organizations as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.

Bequests will not be recorded as gifts to the Organizations 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. The criteria for the acceptance of the gift or bequest will be the same as otherwise provided herein.

The Organizations will generally accept life insurance but it 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. Whether any policy is accepted will depend on the economics of the transfer. If the donor contributes future premium payments, the Organizations will include the 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, the Organization may:

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

The Organizations generally will accept gifts designating the Organizations as a beneficiary of the donor's retirement plans including, but not limited to, IRA's, 401(k)'s 403 (b)'s and other plans. Such designation will not be recorded as a gift to the Organizations 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.

4) Charitable Remainder Trusts. The Organizations may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the appropriate Organization's Board of Directors. Neither USHJA, nor the Foundation will accept appointment as trustee of a charitable remainder trust.

5) Charitable Lead Trusts. The Organizations may accept a designation as income beneficiary of a charitable lead trust. The Organizations will not accept an appointment as Trustee of a charitable lead trust.

Endowed Funds

Endowed funds are held in perpetuity, with the principal invested for long-term growth. The use of the income from endowed funds may be either unrestricted or restricted to a specific purpose. Income is determined by a spending policy set by the Board of Directors.

Use of the income must meet the restrictions set forth in the fund description. For that reason, fund descriptions must be written with care, preferably including as few restrictions as possible. When writing fund descriptions, it is important to consider whether the fund will still be useful 100 years from now. All new or updated fund agreements will include a contingency clause

which provides the Board of Directors the power to adjust fund agreements should they become impractical to administer in the future.

Income which is not used during one year will accumulate for use in the future unless the gift instrument dictates otherwise.

Endowed Fund Minimums

The minimums to establish a named endowed fund are set by the Board of Directors. The Organizations will generally not accept new endowments where fundraising is required to reach the fund minimum. However, if such a fund is approved, the fund agreement must include a deadline for reaching the minimum and a contingency clause indicating how the fund will be utilized if the endowed fund minimum is not reached (spent out for the restriction indicated, or transferred to another fund, etc.).

Miscellaneous Provisions

1. **Other Types of Gifts not Included in this Policy.** There are many other types of assets a donor might consider as a gift. The above lists are not intended to be all inclusive of the type of gifts the Organizations may accept. The acceptance or rejection of any gifts not included in this policy may be made by the Foundation's Board of Directors in consultation with the Association's Executive Director, and, if needed, with the consultation of the Organization's legal counsel.
2. **Securing appraisals, environmental review, assessment or remediation costs and legal fees for gifts to the Organizations.** The cost to secure an appraisal, environmental review, assessment or remediation (where required) and independent legal counsel for any gifts proposed to be made to or for the benefit of the Organizations are generally the donor's responsibility.

3. **Pledges.**

Binding Commitment. If donors wish to make their gifts in installments over time, they will be asked to document their commitment to the Organizations in a written Pledge Agreement that will create a binding legal obligation on the donor.

Duration. The Organization will, in the Pledge Agreement, specify the installments in which the gift is to be paid over a period not to exceed five years.

The Development Department is responsible for acknowledging, billing, and monitoring the status of all pledges and payments. The Development Department is responsible for presenting unpaid, potentially uncollectible, pledges to the Organization's Board of Directors for approval of write off.

The Finance Department will record a pledge when a signed pledge agreement and the first installment is received. A signed pledge agreement without the first installment is not deemed a recognizable pledge.

4. **Fees and Commissions.** The Organizations will evaluate, on a case by case basis, whether to pay “finder’s fees” or commissions to third parties in connection with any kind of gift.
5. **Trips and Special Events.** When trips or special events involve a charitable contribution, the fair market value and the charitable contribution amount for each participant will be stated specifically in the promotional literature and donor acknowledgment letter. Donations given to offset the costs of a special event must be recorded as gift income, rather than as a credit to an expense account.

Acknowledgement of Gifts / Compliance with Charitable Donation Substantiation Requirements–

All donations to the Organizations shall be acknowledged and receipted in accordance with IRS requirements. Specifically, receipts (or acknowledgment letters acting as a receipt) shall include the following as applicable:

- The amount of the donation if made by cash
- A description of any property (including securities) donated
- A statement that the charity provided no goods or services as consideration for the contribution; OR
- A description and good faith estimate of the value of the goods and services provided to the contributor, if applicable*

*Donations in excess of \$75 given partly as a donation and partly in exchange for goods or services (“Quid Pro Quo” Contributions) are considered part donation/part purchase. In the case of such a contribution, a written acknowledgement containing the following shall be provided to the donor:

- A statement that the amount of the deductible contribution for federal income tax purposes is the excess of the amount of money (and the value of any other property) contributed over the value of the goods or services provided by the Organization.
- A good faith estimate of the value of the goods or services furnished to the donor. The Organization’s disclosure should be made in a manner that is reasonably likely to be noticed by the donor. Thus, putting the notice in fine print on a ticket stub, acknowledgment or other document may not be sufficient.

The Organizations will not appraise or assign a value to non-cash gift property. It is the donor’s responsibility to establish a value for the gift and to provide, at the donor’s expense, a qualified appraisal required by the IRS in the case of gifts of personal property valued in excess of \$5,000.

Volunteers and staff must refrain from discussing with donors questions concerning the tax implications of a gift (cash or noncash) and shall avoid the appearance of rendering legal, tax or accounting advice.

Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and recommended to the USHJA Foundation Board. The policies will be regularly reviewed. The USHJA Foundation Board must approve any changes to these policies.