

**Sec. 1. PURPOSE**

As a not-for-profit organization organized under the laws of the State of Texas and exempt as a public charity under Section 501(c)(3) of the Internal Revenue Code, LifeSchool of Dallas encourages the solicitation and acceptance of gifts for purposes that will assist LifeSchool of Dallas to further and fulfill its mission.

The purpose of this Policy is to govern the acceptance of gifts by LifeSchool of Dallas and to provide guidance to the Board, the Chief Executive Officer/Superintendent of Schools (“the Superintendent”) and prospective donors when making gifts to LifeSchool of Dallas. The provisions of this Policy shall apply to all gifts received by LifeSchool of Dallas for any of its schools, programs or services, and to the acceptance of gifts made to LifeSchool of Dallas or for the benefit of any of its schools or programs.

**Sec. 2. RESTRICTIONS ON GIFTS**

LifeSchool of Dallas will accept unrestricted gifts, and gifts for specific schools, programs and purposes, provided that such gifts are consistent with LifeSchool of Dallas’s mission, purposes, and priorities. LifeSchool of Dallas will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the charitable and educational trust of LifeSchool of Dallas, or that are accompanied by an improper economic benefit to the donor or vest the donor with inappropriate control or influence. The Board shall make all final decisions on the restrictive nature of a gift and its acceptance or refusal.

**Sec. 3. GIFT ACCEPTANCE COMMITTEE**

The Board may establish a Gift Acceptance Committee of the Board to review gifts made to LifeSchool of Dallas and to carry out certain terms of this Policy. The Gift Acceptance Committee may be charged with the responsibility of reviewing all gifts made or proposed to be made to LifeSchool of Dallas, properly reviewing those gifts, and making recommendations to the Board on gift acceptance and related issues.

**Sec. 4. USE OF LEGAL COUNSEL AND OTHER PROFESSIONAL ASSISTANCE**

LifeSchool of Dallas shall seek the advice of legal counsel or other professional advisors (such as an accountant, financial advisor or professional money manager) when appropriate and as recommended in this Policy relating to the acceptance of certain types of gifts. Generally, LifeSchool of Dallas shall seek the advice of legal counsel in all matters pertaining to the acceptance of any gift which may have adverse legal, ethical (including a potential conflict of interest), or other consequence of concern to LifeSchool of Dallas.

All prospective donors shall be urged and encouraged by LifeSchool of Dallas to seek and secure the assistance of independent legal, tax and financial advisors in matters relating to their gifts and

the resulting tax and estate planning implications. LifeSchool of Dallas shall not pay the legal fees or any professional fees of the donor in connection with a gift to LifeSchool of Dallas. LifeSchool of Dallas shall not provide any opinion, statement or recommendation to the donor as to the tax deductibility of the gift or as to any tax consequences or tax implications of the gift that may affect the donor.

It shall be the responsibility of the donor to secure an appraisal of property where required. The donor shall pay any fees associated with securing such appraisal.

### **Sec. 5. TYPES OF GIFTS**

The following types of gifts are generally acceptable:

1. Cash Donations
2. Testamentary Bequests
3. Charitable Remainder Trusts
4. Charitable Lead Trusts
5. Tangible Personal Property
6. Oil, Gas and Mineral Interests
7. Life Insurance/Life Insurance Beneficiary Designations
8. Retirement Plan Beneficiary Designations
9. Securities
10. Real Estate

The following types of gifts are generally not acceptable:

1. Charitable gift annuities
2. Pooled income funds

### **Sec. 6. CRITERIA FOR CERTAIN TYPES OF GIFTS**

The criteria below govern the acceptance of each type of gift. Unless indicated otherwise, each type of gift is subject to prior review by the Board and/or the Gift Acceptance Committee.

1. Cash or Cash Equivalents: Cash is acceptable in any form. Checks shall be made payable to “LifeSchool of Dallas” or “Life School” and shall be delivered to the Superintendent at the Life School administrative office.
2. Charitable Pledge Agreements: Acceptable if payable only in acceptable form as set forth in this Policy. Pledges payable over more than one year shall generally not be acceptable unless at least \$1,000.00.

3. Securities: Both publicly traded securities and marketable closely held securities are acceptable upon review by Board and/or the Gift Acceptance Committee and legal counsel. Review and recommendation by an outside financial professional or money manager may be sought prior to acceptance of the gift. 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, LifeSchool of Dallas shall promptly sell all securities upon receipt.
4. Closely Held Securities; Other Intangibles: LifeSchool of Dallas shall not accept securities and other intangible assets (such as interests in LLPs and LLCs or other ownership forms) that may not be sold or transferred, that have no value, are not marketable, or that may generate additional liability or undesirable tax or other consequences for LifeSchool of Dallas. Review and recommendation by legal counsel and/or a financial professional should be sought before making a final decision on acceptance of closely held securities or other intangibles as a gift.
5. Tangible Personal Property: Gifts of tangible personal property are often called "in-kind" gifts and include gifts such as supplies, equipment, furniture, printed materials, books, food, software, motor vehicles and artwork. Gifts of tangible personal property will be examined as follows:
  - a) Will the property be used by LifeSchool of Dallas in furtherance of its mission?
  - b) Is the property marketable?
  - c) Are there restrictions on the use, display or disposition of the property?
  - d) Are there carrying costs of the property?

LifeSchool of Dallas shall not value or offer to value the property. The donor shall sign a statement of ownership and disclose any liens on the property. LifeSchool of Dallas shall not accept any property subject to a restriction on its ability to use, sell or otherwise dispose of the property as it deems necessary.

6. Life Insurance Policy/Beneficiary Designation: LifeSchool of Dallas may accept the gift of a life insurance policy, provided LifeSchool of Dallas is named as both the owner of the policy and irrevocable beneficiary of the policy prior to acceptance of the gift. Beneficiary designations shall not be recorded as gifts to LifeSchool of Dallas unless and until 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. If the policy is not fully paid-up and the donor does not continue to make gifts to cover premium payments on the policy, LifeSchool of Dallas shall have the right to continue to pay the premiums, convert the policy to paid-up insurance, surrender the policy for its current cash value, or otherwise make use of its value.

7. Real Estate. LifeSchool of Dallas will not accept any real estate subject to a restriction on LifeSchool of Dallas's ability to use, sell or otherwise dispose of or deal with the property as it deems necessary. Prior to the acceptance of real estate, LifeSchool of Dallas shall require an initial environmental review of the property by a qualified environmental review firm to ensure that the property has no environmental damage or liabilities. In the event that the initial review reveals a potential problem or concern, the organization may retain a qualified environmental review firm to conduct an environmental audit. The cost of the environmental review and any environmental audit shall be the expense of the donor. Appraisal costs are the responsibility of the donor.

A title report or abstract of title shall be obtained by LifeSchool of Dallas prior to the acceptance of the real property gift. Criteria for acceptance of the property shall include:

- a) A review of a complete profile of the property, including the title report and environmental review or audit, inspection reports, the deed, any encumbrances, leases, and tax bills.
  - b) A review of the carrying costs, sale and holding costs of the property, such as insurance, property taxes, mortgages, notes, etc.
  - c) A review of the restrictions, reservations, easements or other limitations on the property.
  - d) A review of the use of the property for LifeSchool of Dallas's purposes.
  - e) A review of a recent appraisal of the property and consultation with a real estate advisor as to marketability of the property.
8. Oil, Gas and Mineral Interests: LifeSchool of Dallas may accept oil and gas property interests upon review by Board and/or the Gift Acceptance Committee and legal counsel. The property shall undergo an environmental review by an environmental firm. The property should be reviewed for liabilities or other considerations (such as undesirable tax consequences or valuation issues for working interests) that might make receipt of the gift inappropriate.
9. Charitable Remainder Trusts: LifeSchool of Dallas may accept designation as remainder beneficiary of a charitable remainder trust upon the review by the Board and/or the Gift Acceptance Committee and legal counsel. LifeSchool of Dallas will not accept appointment as a trustee of a charitable remainder trust.
10. Charitable Lead Trusts: LifeSchool of Dallas may accept designation as income beneficiary of a charitable lead trust upon review by the Board and/or the Gift Acceptance Committee and legal counsel. LifeSchool of Dallas will not accept appointment as trustee of a charitable remainder trust.

11. Retirement Plan Beneficiary Designations: Donors and supporters of LifeSchool of Dallas are encouraged to name LifeSchool of Dallas as a beneficiary of a retirement plan. Such designations shall not be recorded as gifts unless and until 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.
12. Bequests: Donors and supporters of LifeSchool of Dallas are encouraged to make bequests to LifeSchool of Dallas under their wills and trusts. Such bequests will not be recorded as gifts unless and until 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.

**Sec. 7. ACCEPTANCE OF GIFT BY THE SUPERINTENDENT**

Subject to the terms of this Policy, the Superintendent shall have discretion and authority to accept (i) unrestricted gifts of a value up to \$1,000.00 and (ii) restricted gifts of a value up to \$5,000.00. Only the Board may accept gifts above those amounts.

**Sec. 8. VALUATION OF GIFTS**

LifeSchool of Dallas shall record a gift received by LifeSchool of Dallas at its valuation for gift purposes on the date of gift and accordance with Generally Accepted Accounting Principles (“GAAP”).

**Sec. 9. IRS FILING UPON SALE OF GIFT**

LifeSchool of Dallas is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold by LifeSchool of Dallas within two years of receipt where the charitable deduction value of the item was \$5,000.00 or greater. LifeSchool of Dallas must file such form within 125 days of the date of sale or disposition of the asset. The Life School Business Manager (Chief Financial Officer and/or Director of Finance) shall be responsible for the recordation and filing of this form to the IRS.

**Sec. 10. WRITTEN ACKNOWLEDGMENT OF GIFTS AND CONTRIBUTIONS**

Written Acknowledgement of all gifts made to LifeSchool of Dallas and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board. The Life School Business Manager (Chief Financial Officer and/or Director of Finance) shall be responsible for ensuring compliance with IRS requirements regarding acknowledgments.

**Sec. 11. CONFIDENTIALITY**

LifeSchool of Dallas shall hold all information concerning donors or potential donors in strict confidence, subject to requests for information that LifeSchool of Dallas is required by law or court order to provide. LifeSchool of Dallas shall not release information about donors or the gift that is not otherwise public information unless permission from the donor is obtained. LifeSchool of Dallas will respect the confidentiality of donors who do not wish to be recognized.

**Sec. 12. REVIEW OF POLICY; CHANGES TO POLICY**

The Board shall review this Policy on a periodic basis (but no less than five years) or, if applicable, the Gift Acceptance Committee shall periodically review and recommend changes to this Policy for approval and adoption by the Board.