



TEXAS VETERINARY MEDICAL FOUNDATION

Gift Acceptance Policy and Guidelines

The Texas Veterinary Medical Foundation, a nonprofit organization organized under the laws of the State of Texas, encourages the solicitation and acceptance of gifts to the Texas Veterinary Medical Foundation (here in after referred to as TVMF) for purposes that will help TVMF to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to TVMF or for the benefit of any of its programs.

MISSION

The Texas Veterinary Medical Foundation is committed to supporting the veterinary profession and our communities in Texas by providing resources, education, and programs for the responsible stewardship of animals.

PURPOSE OF POLICIES AND GUIDELINES

TVMF volunteers and staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of TVMF. It is the purpose of these policies and guidelines to govern the acceptance of gifts by TVMF and to provide guidance to prospective donors and their advisors when making gifts to TVMF. The provisions of these policies shall apply to all gifts received by TVMF for any of its programs or services.

USE OF LEGAL COUNSEL

TVMF shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate. Review by counsel is recommended for:

- a. Review of closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Review of documents naming TVMF as Trustee
- c. Review of all gifts involving contracts, such as bargain sales or other documents requiring the nonprofit to assume an obligation
- d. Review of all transactions with potential conflict of interest that may invoke IRS sanctions
- e. Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Review Panel

CONFLICT OF INTEREST

All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.



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RESTRICTION ON GIFTS

TVMF will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes and priorities. TVMF will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the bylaws or articles of incorporation, gifts that are too difficult to administer or gifts that are for purposes outside the mission or ends of TVMF. The Gift Acceptance Review Panel of TVMF shall make all final decisions on the restrictive nature of a gift, and its acceptance or refusal.

GIFT ACCEPTANCE REVIEW PANEL (GARP)

The GARP shall consist of:

- President of TVMF
- Vice President of TVMF
- Treasurer of TVMF
- Secretary of TVMF
- Development Committee
- Chief Executive Officer of TVMF
- Chief Operating Officer of TVMF
- Chief Financial Officer of TVMF
- Director of Development & External Relations of TVMF

The GARP is charged with the responsibility of reviewing all gifts made to TVMF that require special attention, per this policy, properly screening and accepting those gifts, and making recommendations on gift acceptance issues where appropriate.

TYPES OF GIFTS

The following gifts are welcomed:

1. In-Kind
2. Cash
3. Tangible Personal Property
4. Securities
5. Real Estate
6. Remainder Interests in Property
7. Oil, Gas, and Mineral Interests
8. Bargain Sales
9. Life Insurance
10. Charitable Gift Annuities
11. Charitable Remainder Trusts



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12. Charitable Lead Trusts
13. Retirement Beneficiary Designations
14. Bequests
15. Life Insurance Beneficiary Designations

The following criteria govern the acceptance of each gift form:

1. In-Kind: A gift-in-kind is an item such as equipment, software, or a product that a donor voluntarily transfers to TVMF without charge or consideration.
 - a. Donors must complete a gift-in-kind form that includes the name of the donor, a description of the item(s), the retail value of the item(s), and permission to publicly recognize the donation.
 - b. Once accepted, the donated item(s) becomes the property of the XYZ Organization, which retains the right to dispose of a gift-in-kind as it sees fit, unless another arrangement has been made with the donor.
2. Cash: Cash is acceptable in any form. Checks shall be made payable to the TVMF and shall be delivered to TVMF's administrative offices.
3. Tangible Personal Property: All gifts of tangible personal property shall be examined in light of the following criteria
 - a. Does the property fulfill the mission of TVMF?
 - b. Is the property marketable?
 - c. Are there any undue restrictions on the use, display, or sale of the property?
 - d. Are there any carrying costs for the property?
 - e. The GARP shall make the final determination on the acceptance of other tangible property gifts.
4. Securities:
 - a. TVMF can accept both publicly traded securities and closely held securities.
 - b. 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. In some cases, applicable securities laws may restrict marketable securities; in such instance the GARP shall make the final determination on the acceptance of the restricted securities.
 - c. 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 GARP. However, gifts must be reviewed prior to acceptance to determine that:
 - i. There are no restrictions on the security that would prevent TVMF from ultimately converting those assets to cash



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- ii. The security is marketable
 - iii. The security will not generate any undesirable tax consequences for TVMF.
 - d. 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 GARP and legal counsel shall make the final determination on the acceptance of the closely held securities where necessary. Every effort will be made to sell non-marketable securities as quickly as possible.
5. 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, TVMF shall require an initial environmental review of the property to ensure that the property is not contaminated with environmental damage. Environmental inspection forms are attached as appendix A to this document. In the event that the initial inspection reveals a potential problem, TVMF 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. Where appropriate, a title binder shall be obtained by TVMF 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 GARP and by TVMF's legal counsel. Criteria for acceptance of the property shall include:
 - a. Is the property useful for the purposes of TVMF?
 - b. Is the property marketable?
 - c. Are there any restrictions, reservations, easements or other limitations associated with the property?
 - d. Are there carrying costs, which may include insurance, property taxes, mortgages or notes etc., associated with the property?
 - e. Does the environmental audit reflect that the property is not damaged?
6. Remainder Interests in Property: TVMF will accept a remainder interest in a personal residence, farm or vacation home subject to the provisions of the above paragraph on real estate. 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, TVMF may use the property or reduce it to cash. Where TVMF receives a gift of the remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor or primary beneficiary.
7. Oil, Gas and Mineral Interest: TVMF may accept oil and gas property interests, where appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the GARP, and if necessary, by legal counsel. Criteria for acceptance of the property shall include:
 - a. Gifts of surface rights should have a value of \$20,000 or greater.



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- b. 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).
 - c. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
 - d. If the interest is a working interest, the organization should determine the impact on TVMF so that it may develop a plan to minimize that impact if accepted.
 - e. The property should undergo an environmental review to ensure that TVMF has no current or potential exposure to environmental liability.
8. Bargain Sales: TVMF will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of TVMF. All bargain sales must be reviewed and approved by the GARP. Factors used in determining the appropriateness of the transaction include:
 - a. TVMF must obtain an independent appraisal substantiating the value of the property.
 - b. If TVMF assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
 - c. TVMF 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.
 - d. TVMF must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
9. Life Insurance: TVMF must be named as owner (and beneficiary) of an insurance policy before a life insurance policy can be recorded as a current and outright gift. Insurance policies are valued at the interpolated terminal reserve value if ongoing premiums are required. However, the donor's deduction is based on the lesser of the policy's fair market value or cost basis. (Policies that are contractually paid-up are rare and have different valuation and deduction amounts.) If the donor contributes future premium payments, TVMF will designate 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, TVMF may:
 - a. Continue to pay the premiums
 - b. Convert the policy to fully paid up life insurance
 - c. Surrender the policy for its current surrender cash value
10. Charitable Gift Annuities: TVMF may offer charitable gift annuities. The minimum gift for funding shall be \$50,000. The GARP 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 can be permitted for any gift annuity. Annuity payments may be made on a quarterly,



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semi-annual, or annual schedule. The GARP may approve exceptions to this payment schedule.

- a. TVMF will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. TVMF may accept real estate, tangible personal property, or other illiquid 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 GARP approves the arrangement.
 - b. 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 such specific fund as designated by the donor (or, in the absence of a donor designation, the funds shall be handled according to TVMF's policy for unrestricted bequests).
11. Charitable Remainder Trusts: TVMF may accept a designation as remainder beneficiary of the charitable remainder trust. TVMF will not accept appointment as Trustee of a charitable remainder trust.
 12. Charitable Lead Trusts: TVMF may accept a designation as income beneficiary of a charitable lead trust. TVMF will not accept an appointment as Trustee of a charitable lead trust.
 13. Retirement Plan Beneficiary Designation: Donors and supporters of TVMF shall be encouraged to name TVMF as beneficiary of their retirement plans. Such designations shall not be recorded as gifts to TVMF until such time as the gift is irrevocable. Where the gift is irrevocable (i.e., upon death), 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. Bequests: Donors and supporters of TVMF shall be encouraged to make bequests to TVMF under their wills and trusts. Such bequests shall not be recorded as gifts to TVMF until such time as the gift is irrevocable (i.e., upon death). 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.
 15. Life Insurance Beneficiary Designations: Donors and supporters of TVMF shall be encouraged to name TVMF as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as current gifts to TVMF until such time as the gift is irrevocable (i.e., upon death). 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.

MISCELLANEOUS PROVISIONS

1. Securing appraisals and legal fees for gifts to TVMF: It shall be the responsibility of the donor to secure an appraisal (where required) and independent legal



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counsel for all gifts made to TVMF. TVMF cannot pay for, or provide funds for, the costs of an appraisal or legal fees.

2. Valuation of gifts for development purposes: TVMF shall record a gift received by TVMF at its valuation for gift purposes on the date of gift.
3. Responsibility for IRS Filings upon sale of gift items: The Texas Veterinary Medical Association Chief Financial Officer is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by TVMF where the charitable deduction value of the item was \$5,000 or greater. TVMF must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.
4. Acknowledgement of gifts made to TVMF and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility the Texas Veterinary Medical Association Chief Financial Officer. IRS Publication 561 Determining the Value of Donated Property and IRS Publication 526 Charitable Contributions are attached to these policies as an Appendix.
5. Permanently Restricted Gifts: When TVMF accepts permanently restricted gifts (such as funds whose principal shall never be spent), the Chief Financial Officer will ensure that a written record of the donor's intent is kept securely on file perpetually. The Texas Veterinary Medical Association Chief Financial Officer shall make assistance with documentation available to donors who wish to make such a gift (e.g., through the provision of a written gift instrument).



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ENVIRONMENTAL REVIEW FORM

1 of 4: Environmental Interview

This interview is designed for use with current and/or prior owners or managers of the property.

Date of Interview _____

Interviewer _____

Person Interviewed _____

Relation to Property _____

Property Description _____

Type of Property:

- Agricultural
- Timber
- Commercial
- Manufacturing
- Age of Buildings
- Undeveloped Land
- Residential
- Other

Indicate prior uses of property _____

1) Are you aware of any environmentally sensitive situations on the property?

- No
- Yes

If yes, please describe _____



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- 2) For uses identified in question 1, has an environmental license or permit ever been issued?
 No
 Yes

- 3) Are there any oil, fuel, or chemical storage tanks on the property located above or below ground?
 No
 Yes

- 4) Has an environmental assessment been previously conducted?
 No
 Yes. If yes, provide copy of report.

- 5) If available, attach maps or surveys that describe the property to this questionnaire.
 Attached
 None Available

If you are unable to furnish the information requested above, please advise us if there is a reliable source that may be able to furnish this information.



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Environmental Review Form 3 of 4: Environmental Site Inspection Checklist

An on-site inspection revealed the following:

	Yes	No
Stressed, denuded vegetation, or unusual barren areas		
Discoloration, oil sheens, or foul/unusual odors in water		
Dump site		
Tire/battery/chemical storage or disposal		
Storage drums		
Above or below ground storage tanks, vent, or filler pipes		
Evidence of petroleum or oil products		
Evidence of PCBs (electrical transformers, capacitors)		
Subject or adjoining property used for industrial purposes		
Existing structures: If yes, indicate if there is: <input type="checkbox"/> Evidence of chemical spills/leaks <input type="checkbox"/> Evidence of asbestos <input type="checkbox"/> Any source of air emission		
Does property appear on National/State Hazardous Site list?		

If "yes" to any of the above, describe _____



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- Based on the evaluation of known, discovered, or observed environmental factors, there is no evidence of environmental contamination on this or neighboring properties, and no further action is recommended.
- Based on the evaluation of known, discovered or observed environmental factors, there is evidence of possible environmental contamination on this or neighboring properties and further investigation is recommended. *(Complete "Evaluation of Known Environmental Factors Form" if this block is checked)*

Person Completing Form _____

Signature _____

Title _____

Date _____

Acceptance of Form Approved By _____

Signature _____

Title _____

Date _____



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Environmental Review Form 4 of 4: Evaluation of Known Environmental Factors

Check the appropriate response to each statement based on all sources of information, including the Environmental Site Inspection Checklist.

	Yes	No
This property (or adjacent property) appears on federal, state, or other environmental agency list of sites identified for environmental investigation or cleanup.		
This property is developed and used for an industrial or manufacturing purpose.		
This property is undeveloped land used for landfill or waste dump purposes.		
The prior, current, or proposed use of this property involves the generation, storage, treatment, or disposal of any potentially hazardous materials, oil/Petroleum products, or other substances regulated by environmental laws and agencies. Specify _____ _____		
Activities on adjacent properties may have contributed to the environmental contamination of the subject property.		
This property is near a flood plain, wetland, or ecologically sensitive area.		
The Environmental Site Inspection revealed evidence of possible environmental contamination.		
The donor has revealed potential sources or causes of environmental contamination.		
This property is used for agricultural purposes.		
Based on the evaluation of known environmental factors, there is no evidence of possible environmental contamination on this, or neighboring properties and no further action is recommended.		
Based on the evaluation of known environmental factors, there is evidence of possible environmental contamination on this or neighboring properties and further investigation is recommended.		



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Recommendations _____

Person Completing Form _____

Signature _____

Title _____

Date _____

Acceptance of Form Approved By _____

Signature _____

Title _____

Date _____