



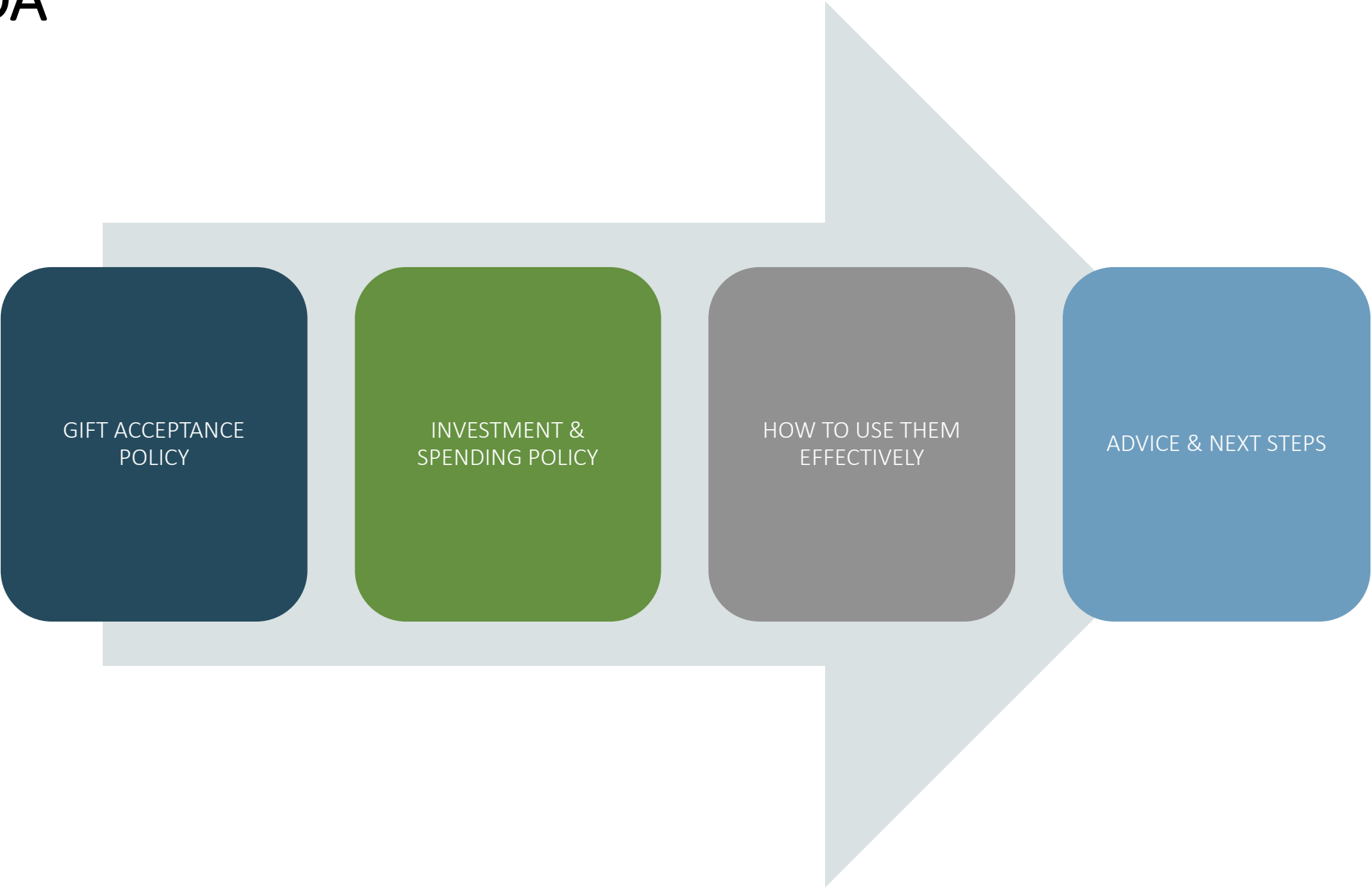
perspective
GAINED

Investment & Gift Acceptance Policies

Joe Pratt, Bar Harbor Trust Services



AGENDA



PRESENTERS

Barb McGuan

Barb is the leader of the firm's Not-For-Profit Tax Services Group. She serves clients in a variety of industries, but her main focus is with tax-exempt organizations.

Although a large portion of her career has been devoted to public accounting, Barb also has experience as the financial manager of a private healthcare consulting firm. She regularly speaks at seminars of local organizations and groups regarding not-for-profit and other tax compliance issues.

Barb is a Principal and member of the firm's Tax Consulting and Compliance Group, working with clients throughout New England. She provides services mainly in the tax planning and compliance arena, including business and individual taxation as well as tax-exempt reporting.

Joe Pratt

Joe leads the 'wealth services group' at Bar Harbor Bank & Trust (BHBT) including Bar Harbor Trust Services and Bar Harbor Financial Services in Maine and Charter Trust Company in New Hampshire. Together the wealth services group is responsible for more than \$2 billion in assets with more than 2,000 clients.

The wealth services group provides charitable consultation for individuals, private foundations and public charities throughout Maine and northern New England.

Joe helps individual donors realize charitable goals with planned gifts and assisting nonprofit organization establish or improve their planned giving programs. Joe is the founding president of the Maine Planned Giving Council and is a frequent presenter for MANP and AFP-NNE.

Gift Acceptance Policy

- Do you have one? *(Handout #1)*
- What is it and what purpose does it serve?
 - Internal guidance
 - Board, staff, volunteer education
 - Donor resource
- Where do you keep it?
 - In our policy manual on the shelf
 - On our website
- Do you use it to its full marketing potential?



Gift Acceptance Policy – What is it?

- A written document approved by the board to provide guidance and consistency in fundraising efforts.
 - Survives turnover in staff, committee, board
 - Enables a proactive rather than reactive response to gift opportunities
- Identifies types of gifts or gift arrangements that are acceptable and unacceptable.
- Educates board, staff, volunteers, and donors about critical issues associated with certain types of assets and certain types of gift arrangements.

Gift Acceptance Policy – What Purpose Does It Serve?

- In most instances, the purpose is to govern the organization’s acceptance of gifts and to provide guidance to the organization, donors and their advisors in completing gifts.
- The Policy should identify:
 - (1) the types of assets that are acceptable/unacceptable;
 - (2) the types of gift arrangements that are acceptable/unacceptable; and
 - (3) define the organization’s role in gift administration.
- Specifies treatment of “donor-restricted” and “not-donor-restricted” gifts.
 - Endowment Fund vs. Institutional Fund
- Purpose may also include more elaborate language related to discharging fiduciary responsibility, protecting the Board from third party liability and IRS sanctions, and protecting the organization from unanticipated costs and negative publicity.

Gift Acceptance Policy – Assets & Gift Methods

- Types of assets that are acceptable or unacceptable
 - Cash vs. Tangible Personal Property
 - Raw Land vs. Commercial Property
 - Publicly Traded Securities vs. Closely Held Business
 - Other?
- Types of gift methods that are acceptable or unaccept
 - Outright Gift
 - Bequest / Beneficiary Designation (*Handout #2*)
 - Remainder Interest
 - Bargain Sale
 - Retained Life Estate
 - Pooled Income Fund
 - Charitable Gift Annuity
 - Trusteeships
 - Other?



Gift Acceptance Policy – Where Do You Keep It?

- In our policy manual on the shelf
 - Why?
 - When is the last time it was reviewed?
 - When is the last time it was used for its intended purpose?
- On our website
 - Why?
 - When is the last time it was used for its intended purpose?

Gift Acceptance Policy – Marketing Potential

- If you don't have a policy form a committee to establish one
 - Staff
 - Board
 - Key Donors
 - Subject Matter Experts
 - "Focus Group"
- Present it to the Board for review, education, approval
- If you do have a policy form a committee to review and update it
 - Staff, Board, Key Donors, Subject Matter Experts, "Focus Group"
- Present to the Board for review, education, approval
- Schedule an annual review

Gift Acceptance Policy – Marketing Potential

- Make it available to the public
 - Website
 - Newsletter or other donor communication
 - Special mailing
 - When declining a gift
 - Other

Investment & Spending Policy

- Do you have one? *(Handout #3)*
- What is it and what purpose does it serve?
 - Internal guidance
 - Guidance for third-party investment manager(s)
 - Board, staff, volunteer education
 - Donor resource
- Where do you keep it?
 - In our policy manual on the shelf
 - On our website
- Do you use it to its full marketing potential?



Investment & Spending Policy – What is it?

- A written document approved by the board to provide guidance and consistency in managing and expending the organization's long term investment funds in accordance with donor restrictions, Maine statute, and the best interest of the organization.
 - Survives turnover in staff, committee, board
 - Enables a proactive rather than reactive response to investment and spending issues
- Adopts Maine Uniform Prudent Management of Institutional Funds Act.
- Identifies investments and investment strategies that are acceptable and unacceptable.
- Educates board, staff, volunteers, and donors.

Investment & Spending Policy – Where Do You Keep It?

- In our policy manual on the shelf
 - Why?
 - When is the last time it was reviewed?
 - When is the last time it was used for its intended purpose?
- On our website
 - Why?
 - When is the last time it was used for its intended purpose?

Investment & Spending Policy – Marketing Potential

- If you don't have a policy form a committee to establish one
 - Staff, Board, Key Donors, Subject Matter Experts, "Focus Group"
- Present it to the Board for review, education, approval
- If you do have a policy form a committee to review and update it
 - Staff, Board, Key Donors, Subject Matter Experts, "Focus Group"
- Present to the Board for review, education, approval
- Schedule an annual review

Investment & Spending Policy – Marketing Potential

- Make it available to the public
 - Website
 - Newsletter or other donor communication
 - Special mailing (i.e., when market is strong or weak)
 - Other

SUMMARY & NEXT STEPS

- Consider your existing **Gift Acceptance Policy** and **Investment & Spending Policy** *(You now have one.)*
 - Form an ad hoc committee of stakeholders to establish or tweak
 - Use the opportunity to educate and market to key donors
 - Present the policies to the Board for approval
 - Don't banish it to the shelf
- Publicize your accomplishment and make it available to the public
 - Website
 - Newsletter or other donor communication
 - Special mailing (i.e., when complete, after a significant gift, when market is strong or weak)
 - Provide to donors when requested
 - Other
- Schedule an annual review by stakeholders and approval by the board
- Use it as a marketing opportunity

Questions & Discussion

