

IDEA PUBLIC SCHOOLS BOARD POLICY MANUAL

POLICY GROUP 1 – GOVERNANCE

GIFT AND CHARITABLE GRANT ACCEPTANCE

Table of Contents

Sec. 1. PURPOSE. 2

Sec. 2. RESTRICTIONS ON GIFTS AND CHARITABLE GRANTS 2

Sec. 3. GIFT ACCEPTANCE COMMITTEE 3

Sec. 4. USE OF LEGAL COUNSEL AND OTHER PROFESSIONAL ASSISTANCE 3

Sec. 5. TYPES OF GIFTS AND GRANTS..... 3

Sec. 6. CRITERIA FOR CERTAIN TYPES OF GIFTS AND GRANTS 4

Sec. 7. ACCEPTANCE OF GIFT OR GRANT BY IDEA PUBLIC SCHOOLS 6

Sec. 8. AUTHORITY 7

Sec. 9. VALUATION OF GIFTS OR GRANTS..... 7

Sec. 10. IRS FILING UPON SALE OF GIFT 7

Sec. 11. WRITTEN ACKNOWLEDGMENT OF GIFTS AND CONTRIBUTIONS 7

Sec. 12. DONOR CONFIDENTIALITY 7

Sec. 13. REVIEW OF POLICY; CHANGES TO POLICY 8

Sec. 14. CERTIFICATION..... 9

Date Adopted: May 1, 2020

Date Amended: June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024

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, IDEA Public Schools encourages the solicitation and acceptance of contribution for purposes that will assist IDEA Public Schools to further and fulfill its mission.

The purpose of this Policy is to govern the acceptance of gifts and charitable grants by IDEA Public Schools and to provide the CFO, and prospective donors guidance when making gifts to IDEA Public Schools. The provisions of this Policy shall apply to all charitable contributions received by IDEA Public Schools for any of its schools, programs, or services, and to the acceptance of gifts and charitable grants made to IDEA Public Schools or for the benefit of any of its schools or programs.

Sec. 2. RESTRICTIONS ON GIFTS AND CHARITABLE GRANTS

IDEA Public Schools will accept unrestricted gifts charitable grants, and gifts for specific schools, programs, and purposes, provided that such gifts are consistent with IDEA Public Schools' mission, purposes, and priorities. IDEA Public Schools will not accept gifts or charitable grants that are too restrictive in purpose.

Gifts or charitable grants that are too restrictive are those that violate the charitable and educational trust of IDEA Public Schools, 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 or a charitable grant and its acceptance or refusal.

Sec. 2.1 Defining and Operationalizing Gifts and Grants

For the purpose of this policy, the following definitions are used to support standard operating procedures at IDEA Public Schools:

1. Gift – A charitable contribution, typically in the form of a sum of money, made to IDEA Public Schools. Acceptable types of gifts are defined herein Sec. 5. Procedural requirements based on the gift amount are defined herein Sec. 7.
2. Charitable Grant – A sum of money or other contribution provided to IDEA Public Schools by a charitable organization in exchange for specific services and memorialized in a written contract or grant agreement. All grants shall be processed by IDEA Public Schools in accordance with the Grant Accounting Policy. However, “grants” that are unrestricted, as defined in this policy, or for which there is no written contract or agreement, will be treated as gifts for the purposes of this policy.
3. Unrestricted – A sum of money or other contribution made available to IDEA Public Schools without terms and conditions for how the money will be used by IDEA Public Schools. When a grant is unrestricted, IDEA Public Schools may process per the instructions herein.

Date Adopted: May 1, 2020

Date Amended: June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024

4. Restricted – A sum of money made available to IDEA Public Schools with terms and conditions for how the money will be used. Both gifts and grants could be labeled “restricted.” IDEA Public Schools shall process restricted gifts and grants
5. Terms and conditions – Any set of conditions for acceptance of a sum of money or other contribution from a gift or grant.

Sec. 3. GIFT ACCEPTANCE COMMITTEE

The Board may establish a Gift Acceptance Committee of the Board to review gifts made to IDEA Public Schools 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 IDEA Public Schools, 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

IDEA Public Schools 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 or grants.

Generally, IDEA Public Schools shall seek the advice of legal counsel in all matters pertaining to the acceptance of any gift that may have adverse legal, ethical (including a potential conflict of interest), or other consequence of concern to IDEA Public Schools.

All prospective donors shall be urged and encouraged by IDEA Public Schools 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. IDEA Public Schools shall not pay the legal fees or any professional fees of the donor in connection with a gift to IDEA Public Schools. IDEA Public Schools 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 AND GRANTS

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

Date Adopted: May 1, 2020

Date Amended: June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024

10. Real Estate

The following types of gifts are generally not acceptable:

1. Charitable gift annuities
2. Pooled income funds

The following types of grants are generally acceptable:

1. Cash Donations
2. Tangible Property

Sec. 6. CRITERIA FOR CERTAIN TYPES OF GIFTS AND GRANTS

The criteria below govern the acceptance of each type of gift or grant. Unless indicated otherwise, each type of gift or grant 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 “IDEA Public Schools” and shall be delivered to the Business 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, IDEA Public Schools shall promptly sell all securities upon receipt.
4. Closely Held Securities; Other Intangibles: IDEA Public Schools 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 IDEA Public Schools. 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: Contributions of tangible personal property are often called “in-kind” gifts or grants and may include supplies, equipment, furniture, printed materials, books, food, software, motor vehicles and artwork. Gifts or grants of tangible personal property will be examined as follows:
 - a. Will the property be used by IDEA Public Schools in furtherance of its mission?
 - b. Is the property marketable?

Date Adopted: May 1, 2020

Date Amended: June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024

- c. Are there restrictions on the use, display, or disposition of the property?
- d. Are there carrying costs of the property?

IDEA Public Schools shall not value or offer to value the property. The donor shall sign a statement of ownership and disclose any liens on the property. IDEA Public Schools 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: IDEA Public Schools may accept the gift of a life insurance policy, provided IDEA Public Schools 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 IDEA Public Schools 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, IDEA Public Schools 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. IDEA Public Schools will not accept any real estate subject to a restriction on IDEA Public Schools' ability to use, sell or otherwise dispose of or deal with the property as it deems necessary. Prior to the acceptance of real estate, IDEA Public Schools 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 IDEA Public Schools 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 IDEA Public Schools' purposes.

Date Adopted: May 1, 2020

Date Amended: June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024

- 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: IDEA Public Schools 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: IDEA Public Schools 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. IDEA Public Schools will not accept appointment as a trustee of a charitable remainder trust.
10. Charitable Lead Trusts: IDEA Public Schools 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. IDEA Public Schools will not accept appointment as trustee of a charitable remainder trust.
11. Retirement Plan Beneficiary Designations: Donors and supporters of IDEA Public Schools are encouraged to name IDEA Public Schools 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 IDEA Public Schools are encouraged to make bequests to IDEA Public Schools 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 OR GRANT BY IDEA PUBLIC SCHOOLS

Sec 7.1. "Acceptance" and to "accept", as used in Sec. 7 is the receipt of a contribution. If the contribution has terms, conditions, and reciprocal obligations, thus necessitating a contract, as defined in Sec. 2.1 of this Policy, the contribution may be received but must follow the operational criteria as any other contract. If the contribution is unrestricted but exceeds \$100,000.00, the contribution must be authorized by the Board Chair, as detailed in Sec. 7.2.

Sec 7.2. Donations of good or services received for or during official fundraising events/activities and Cash donations and Cash Equivalents may be accepted by the CEO/Superintendent (or their designees) or Board Chair without limit as determined appropriate and in the best interest of IDEA Public Schools.

Date Adopted: May 1, 2020

Date Amended: June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024

For other contributions, subject to the terms of this Policy, the CEO/Superintendent or Board Chair shall have discretion and authority to accept (i) unrestricted gifts of a value up to \$100,000.00 and (ii) restricted gifts of a value up to \$500,000.00, where they determine it is in the best interest of IDEA Public Schools. Only the Board (acting through the Finance Committee) may accept gifts above those amounts.

Sec. 8. AUTHORITY

Sec. 8.1. Signature Authorization. Consistent with Sec. 7 of this policy, the Chief Executive Officer/Superintendent or designee as defined in Sec. 3(b) of the Board's Authority Over Fiscal Matters Policy is authorized to sign agreements.

However, the Board may, at its discretion, review and exercise its final authority to approve or disapprove any grant agreements. As set forth in Sec. 7 of this policy, only the Board's designee shall execute grant agreements for unrestricted contributions of \$100,000.00 or more in value and restricted contributions of \$500,000.00 or more in value.

Sec 8.2. Agreement Authorization. Any gift or grant with terms and conditions, as defined in this Policy, is subject to the same operational criteria for approval as any other contract.

Sec. 8.3. The Business Office shall retain the original private contribution agreements on file.

Sec. 9. VALUATION OF GIFTS OR GRANTS

IDEA Public Schools shall record a gift received by IDEA Public Schools at its valuation for gift purposes on the date of gift or grant and accordance with Generally Accepted Accounting Principles ("GAAP").

Sec. 10. IRS FILING UPON SALE OF GIFT

IDEA Public Schools is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold by IDEA Public Schools within two years of receipt where the charitable deduction value of the item was \$5,000.00 or greater. IDEA Public Schools must file such form within 125 days of the date of sale or disposition of the asset. The Chief Financial Officer shall be responsible for the recording and filing of this form to the IRS.

Sec. 11. WRITTEN ACKNOWLEDGMENT OF GIFTS AND CONTRIBUTIONS

Written Acknowledgement of all contributions made to IDEA Public Schools and compliance with the current IRS requirements in acknowledgement of such contributions shall be the responsibility of the Chief Advancement Officer (or designee) in consultation with the Chief Financial Officer (or designee). The Chief Financial Officer (or designee) shall be responsible for ensuring compliance with IRS requirements regarding acknowledgments. See Board Policy relating to Fundraising, Sec. 5.

Sec. 12. DONOR CONFIDENTIALITY

IDEA Public Schools shall hold all information concerning donors or potential donors in strict confidence, subject to requests for information that IDEA Public Schools is required by law or

Date Adopted: May 1, 2020

Date Amended: June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024

court order to provide. IDEA Public Schools shall not release information about donors or the gift that is not otherwise public information unless permission from the donor is obtained. IDEA Public Schools will respect the confidentiality of donors who do not wish to be recognized.

Sec. 13. 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.


(Rest of page purposefully left blank.)

Date Adopted: May 1, 2020

Date Amended: June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024

Sec. 14. CERTIFICATION.

The Undersigned, being the Secretary of the Corporation, hereby certifies that the foregoing represents a true copy of the Board Policy relating to Gift Acceptance, as originally adopted by the Board on May 1, 2020, and as subsequently amended by the Board on June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024, which Policy, as amended, is in full force and effect and has not been revoked or amended.

Signed by:

8DD22C2785DB409...

Ed Rivera, Board Secretary

10/29/2024

Date Certified

Date Adopted: May 1, 2020

Date Amended: June 12, 2020, July 17, 2020, August 14, 2020, and October 23, 2024