

**THE DENTON PARKS FOUNDATION DONATION POLICIES,  
GIFT ACCEPTANCE, AND FINANCIAL PROCEDURES  
APPROVED: 4/26/2018**

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## **POLICIES CONCERNING UNRESTRICTED GIFTS AND FINANCIAL SUPPORT**

THE DENTON PARKS FOUNDATION (DPF) is a 501(c)(3) non-profit organization. THE DENTON PARKS FOUNDATION will accept gifts, donations, and in-kind support with no capital campaign or specific use applied to such funds. These funds can be used at the discretion of the organization for any expenses as long as the transaction is consistent with THE DENTON PARKS FOUNDATION's mission, priorities, and financial goals. THE DENTON PARKS FOUNDATION reserves the right to decline any gift. Contributions to THE DENTON PARKS FOUNDATION are tax-deductible to the extent allowable by law.

### **I. FRIENDS OF THE FOUNDATION**

- A.** Certain funds and gifts may be given to the foundation as “undesigned”, meaning they are not given to a specific project or capital campaign. These funds and gifts may go towards the “Friends of the Foundation” accounting category.
- B.** These “Friends of the Foundation” gifts may be used at the discretion of the Executive Director as long as purchases over the specified amount of \$1000 that are not already accounted for in the board approved annual budget are approved by a majority vote of the board prior to the expense. This vote should follow the rules and guidelines outlined in the by-laws.

### **II. EXECUTIVE DIRECTOR FINANCIAL SUPPORT**

- A.** The Executive Director's financial support shall be listed as income into our “Programs” accounting category and should be identified as such in Treasurer reports when given to the board.
- B.** The financial support of the Executive Director, if it should come in one lump-sum, should be received by the Treasurer in a timely manner outlined in an external agreement or Memorandum of Understanding (MOU) as to allow for consistency in funding and accounting with the Foundation's January to December fiscal year.

## **POLICIES CONCERNING GIFT ACCEPTANCE**

THE DENTON PARKS FOUNDATION (DPF) is a 501(c)(3) non-profit organization. THE DENTON PARKS FOUNDATION will accept approved unrestricted gifts and gifts for specific programs and purposes provided that there is charitable intent on the part of the donor and that the gift supports and is consistent with THE DENTON PARKS FOUNDATION's mission, priorities, and financial goals. THE DENTON PARKS FOUNDATION reserves the right to decline any gift. Contributions to THE DENTON PARKS FOUNDATION are tax-deductible to the extent allowable by law.

### **I. GENERAL**

- A. Payment of commitments to THE DENTON PARKS FOUNDATION may take the form of one or a combination of the following: cash or real property that can reasonably be expected to be converted to cash within a practical time period (one to three years).
- B. Commitments will be publicly recognized and/or commemorated as consistent with the donor's wishes and the guidelines approved by THE DENTON PARKS FOUNDATION. Requests by donors for anonymity will be publicly honored though a limited number of employees, campaign leaders and counsel may be notified of the identity of the donors for internal purposes only.
- C. Public recognition of giving will be based upon the expressed desires of the donor and any policies of THE DENTON PARKS FOUNDATION which govern donor recognition.
- D. Gifts will not be accepted where there is no charitable intent on the part of the donor.
- E. THE DENTON PARKS FOUNDATION reserves the right to refuse or return to donors gifts whose functions and goals are inconsistent with that of THE DENTON PARKS FOUNDATION.
- F. THE DENTON PARKS FOUNDATION will keep accurate record of names and addresses of all vendors who are paid to do any work and are not Denton Parks and Recreation Department employees, affiliated contractors, or volunteers. Acceptance of donations (cash or in-kind) by these vendors who may then be credited with recognition for said donation towards *any* DENTON PARKS FOUNDATION project shall require a "Conflict of Interest" disclosure and must be approved by a majority vote of the DENTON PARKS FOUNDATION board.

### **II. PLEDGES**

- A. No verbal pledges will be recognized. A signed pledge, gift agreement, email or equivalent documentation, signed and dated by the donor, must be in the possession of THE DENTON PARKS FOUNDATION before a pledge is recorded as fulfilled. This will be strictly observed.
- B. The normal pledge payment period for gifts to capital, endowment, and major gift projects will be no more than five years unless otherwise approved by the executive director or Board Chair.
- C. Permanent donor recognition will be based upon the full payment of pledge commitments within the allotted pledge period based on a cash accounting method.

### III. PROPERTY GIFTS

- A. In order for real property gifts to be recognized, complete transfer of ownership must occur with appropriate documentation.
- B. Donors will bear all expenses associated with gifts of real property, including environmental testing and appraisal fees unless otherwise approved by THE DENTON PARKS FOUNDATION Board of Directors.
- C. All real property gifts received by THE DENTON PARKS FOUNDATION and disposed of within two years from the date of receipt will be duly reported to the IRS as required.
- D. All real property gifts will be subject to environmental evaluation prior to acceptance by THE DENTON PARKS FOUNDATION. The extent of that review will be determined for each real property, and the expense will be borne by the donor unless otherwise approved concurrent with Section III.A.
- E. Real property encumbered by a mortgage or other indebtedness or subject to any encumbrances deemed unacceptable by THE DENTON PARKS FOUNDATION Board of Directors will not be accepted.

### IV. GIFT VALUATIONS

- A. Cash - In cases where gifts are made in cash, the valuation is the amount of the cash.
- B. Real Property - Gifts of real property will be reported based on the appraised value as determined by a qualified independent appraiser within 60 days of the date of transfer.
- C. Gifts-In-Kind - Gifts-in-kind are tangible gifts other than cash, marketable or privately held securities, or real property. These will be valued at a "Fair-Market Value" or what the In-kind gift could be obtained for at a reasonable retail price by a 501(c)3 of our stature. Gifts-in-kind of an undetermined value will be recorded and acknowledged as received with no value stated.
- D. Service - Gifts of service are contributions of actual, billable service directly related to the business or profession of the provider. Gifts of services will be recognized at the level of actual expenses invoiced but not to be paid. Evidence of a gift of service will be a canceled or voided invoice stating the date, type of service rendered, quantity cost, total cost, and amount to be contributed or forgiven. No service gift can be accepted by if this service is rendered by a volunteer Board of Director who is acting in the capacity of their board position.

### V. APPRAISAL REQUIREMENTS

- A. Gifts of personal or real property, other than publicly traded securities, must be accompanied by an appraisal if the estimated value exceeds \$10,000. When the gift is to fund a specific recognition opportunity, donors may be asked to make up any shortfall upon conversion to cash.
- B. Donors of personal or real property gifts must seek their own legal and tax counsel. THE DENTON PARKS FOUNDATION reserves the right to refuse gifts of personal or real property when it is determined that the donor has not complied with IRS appraisal requirements or that the advice of independent counsel is not obtained.

- C. Donors of personal or real property gifts will receive an acknowledgment of the gift only when complete transfer has occurred. The acknowledgment will not include any reference to the value of the gift.
- D. Donors will bear all costs associated with obtaining a qualified appraisal if needed.

#### VI. RESPONSIBILITY OF DONORS

- A. Information concerning gift planning is to be for illustrative purposes only and is not to be relied upon exclusively in individual circumstances. A letter of understanding from a donor of a personal or real property gift may be required along with proof of outside advice being rendered before such a gift will be accepted.
- B. All potential or proposed planned gifts may be individually reviewed by the Executive Director and Board of Director Chair. Prospective donors are encouraged to request, and may expect to receive, a letter regarding agreements to restrictions placed upon the proposed gift by the donor.
- C. Although representatives of THE DENTON PARKS FOUNDATION will provide all appropriate assistance, the ultimate responsibility regarding evaluations, tax deductibility, and/or such counsel as the donor may wish to secure is the responsibility of the donor.
- D. To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, or the dissemination of income or estate tax advice, all donors of personal and/or real property gifts must indicate the professional advisors rendering opinion on the gift.

#### VII. GIFT ACCEPTANCE

- A. The Executive Director or members of the DENTON PARKS FOUNDATION staff or Board of Directors, and all volunteers invited to assist with fundraising on behalf of THE DENTON PARKS FOUNDATION are authorized to accept gifts of unrestricted cash so long as the funds are turned over to the Treasurer as soon as possible.
- B. Any other gift requires the formal review of the Executive Director or Board of Directors.

#### VIII. GIFT PURPOSE

- A. Friends of the Foundation or General Fund – Gifts to the Friends of the Foundation or the General fund may be designated to support specific areas of the operating fund of THE DENTON PARKS FOUNDATION. Gifts to the fund are unrestricted and directly benefit the operating budget. Any gifts that are given with no specification for use should
- B. Specific Purpose Projects – Gifts may be designated by donors to support specific projects and events that the Denton Parks Foundation has oversight of.
- C. Capital Campaign – Gifts to a Capital Campaign may be designated to support approved specific areas of the project and may provide naming opportunities provided that opportunity complies by the donation guidelines herein as well as the rules and procedures of the municipal and state governing bodies that be.

## **POLICIES CONCERNING DONOR RECOGNITION**

### **I. PURPOSE**

- A. The purpose of donor recognition policies is twofold: (1) to provide a genuine and lasting form of recognition for the generosity of benefactors to THE DENTON PARKS FOUNDATION and (2) to encourage potential donors to raise their level of giving in order to achieve some form of recognition.

### **II. PEERAGE**

- A. One of the principles behind the successful use of donor recognition is that of peerage. Individuals, corporations, and foundations often wish to be seen among their peers, and this includes being viewed as peers in their level of giving. To over-encourage anonymity sometimes diminishes the effectiveness of donor recognition policies because of the loss of peerage. Unless anonymity or a “non-disclosure” is requested by the donor, their name and giving amount can be used for other fundraising activities and publications to help solicit more donations through peerage.

### **III. ANONYMITY**

- A. Benefactors will be given the opportunity to choose anonymity, and this anonymity will be reflected in all published lists and other forms of donor recognition. The following will be those individuals who, for reasons of stewardship and security, will be informed of the amount of all pledges and the names of all donors to the campaign including those who request anonymity: Executive Director, Resource Development Manager, Chief Financial Officer, Campaign Manager, Campaign Chair(s) and Campaign Counsel.

### **IV. PROVISIONS FOR RECOGNITION**

- A. Provisions will be made to recognize all donors to THE DENTON PARKS FOUNDATION regardless of the size of their gift, while recognizing the wishes of those who choose to remain anonymous donors.

### **V. FORMS OF RECOGNITION**

- A. There will be no standard rubric to determine what forms of recognition exist. Rather, this discretion is left to the Executive Director, with Board of Director approval, on a per project basis.

### **VI. NAMED GIFT OPPORTUNITIES**

- A. There will be no standard rubric to determine what donations will garner “named gifts”. Rather, this discretion is left to the Executive Director, with Board of Director approval, to grant on a per project basis.

### **VII. DONOR RECOGNITION LEVELS**

- A. There will be no standard rubric to determine “Donor Recognition Levels”. Rather, this discretion is left to the Executive Director, with Board of Director approval, on a per project basis.

#### VIII. PUBLICATIONS

- A. Periodically, the names of members of donor recognition levels or reserved named gift opportunities will be published in THE DENTON PARKS FOUNDATION’s publications, newsletters, and campaign updates. The purpose of these publications will be twofold: (1) to show appreciation for pledges made and (2) to encourage others to make significant and stretch philanthropic commitments.

#### IX. PLEDGE PAYMENT AND RECOGNITION

- A. All forms of permanent recognition will be based upon pledges paid. Conversely, those donors with unpaid pledges will not be given permanent recognition until such pledges are fulfilled.

#### XI. EXCEPTIONS

- A. The Board is empowered to grant any exception to these general policies in order to encourage significant gifts or improve benefactor relationships.

#### XII. ESCAPE CLAUSES

- A. If a donor defaults on the pledge or wishes to have the recognition removed, the Board will recommend to the custodian of the property in question (if it is not owned by the Foundation) to have the recognition removed at the donor’s expense.



## **POLICIES CONCERNING FUNDRAISING, GIFT, AND GENERAL ACCOUNTING**

### **I. SPECIFIED PROJECT CAMPAIGN FUNDRAISING PERIOD**

- A. The fundraising period will be the total time encompassed by the active cultivation, solicitation and payment of pledges for The Denton Parks Foundation including those gifts made during the planning phases of any one certain project or campaign. The beginning and ending date for counting commitments to a campaign or project is to be set by the Board of Directors at the recommendation of the specific project or campaign Steering Committee (if applicable).

### **II. COUNTING**

- A. Only those gifts and pledges actually received and/or committed during the specified period identified for the campaign will be counted in the campaign results.
- B. The Treasurer and Executive Director shall keep committed pledges vs. received pledges on a per project basis to correctly reflect the money raised for said project for evaluation and measurement purposes.
- C. If phased, gifts and pledges will be counted in only the phase of the capital campaign in which they were committed. No commitments will be counted for both the first phase and any subsequent additional phase(s) of the campaign unless used in the capacity of demonstrating overall project fundraising efforts.
- D. The value of any canceled, withdrawn or unfulfilled pledge will be subtracted from the campaign and phase totals when it is determined that the commitment will not be realized.
- E. Any other non-cash, in-kind, or equivalent gifts or pledges shall adhere to the accounting policies set forth above.

### **III. HANDLING AND RECORDING OF RECEIVED FUNDS**

- A. The Treasurer should receive notice of gifts being received as soon as reasonably possible.
- B. The receipt of gifts and received pledges, both cash and non-cash, should be entered into the correct accounting categories within three (3) business days per the accounting and Treasurer guidelines in the by-laws
- C. Any other rules or procedures regarding the handling and recording of received funds can be referenced in The Denton Parks Foundation By-Laws as well as the Memorandum of Understanding (MOU) with the City of Denton (should one exist and be currently in-force).

### **IV. NON-GIFT REVENUE**

- A. The following types of funds may be designated to a campaign or project, but will be reported as non-gift revenue to the campaign. In campaign reports, these forms of revenue will be shown as additions to the campaign from non-philanthropic sources:
  - Investment earnings on gifts contributed for campaign purposes;
  - Board-designated surplus income; and
  - Any other non-philanthropic or gift income to be used for the purposes of the campaign.

## **POLICIES CONCERNING MATCHING GIFTS**

### **I. SOLICITATION OF MATCHING GIFTS**

- A. Whenever and wherever possible, donors to the capital campaign will be encouraged to seek out and take advantage of corporate or foundation matching gift programs.
- B. If the corporation sponsoring the matching funds gift is also a vendor or contractor that has been as such for work completed on behalf of the foundation, this relationship shall be disclosed per the directions given in *Sec. I, f.* of the "Policies Concerning Gift Acceptance" section in the most recently approved version of this document.

### **II. DESIGNATION OF MATCHING GIFTS**

- A. Unless otherwise directed by the donor, corporation or foundation, income from matching gifts will be designated for the same restricted purpose as the original gift or pledge of the individual or family donor.

### **III. RECOGNITION FOR THE MATCHING GIFT DONOR**

- A. The corporate or foundation matching gift donor will receive credit and appropriate named gift recognition and/or will be categorized in the appropriate donor recognition level in respect to the dollar value of the matching gift.

### **IV. CREDITING OF MATCHING GIFTS**

- A. The value of the matching gift will be added to an individual or family gift and therefore will entitle the individual or family donor to increased recognition or naming opportunities.

### **V. NAMED GIFT OPPORTUNITIES**

- A. The individual or family donor will have the opportunity to designate a named gift based upon the combined value of their original gift and any matching gift received.

### **VI. REPORTING AND/OR PUBLISHING OF MATCHING GIFTS**

- A. In reporting or publishing matching gifts, the gifts of both the original donor and the matching gift donor will be acknowledged.

## **CONFIDENTIALITY POLICY**

A first principle of campaigning is to recognize the inherent personal dignity of any person who is discussed as a prospective donor to the campaign, and as such should never be described as “targets,” “on a hit list” or in any other way that would diminish their dignity.

It is assumed that in the course of preparing for and conducting the capital campaign, Board members, campaign leadership members, employees, and fundraising consultants will have the occasion to discuss information of a personal, financial, and confidential nature. The following policies are established to affirm THE DENTON PARKS FOUNDATION’s sincere commitment to protect the dignity and trust of its benefactors, friends, and prospective donors.

- A. All fundraising-related discussions concerning major gift prospects, whether individuals, foundations, or corporations, are to be held in confidence.
- B. While it is never the intent to discuss matters of a personal or family nature regarding prospects, should such a disclosure happen in the course of a campaign meeting or activity, such information will be treated with the highest level of confidence.
- C. All information concerning financial capability, past giving patterns, specific gifts, and/or personal disclosures about giving interests are to be treated confidentially – that is within the circle of those of who are assigned to the prospect or are providing counseling or guidance relative to the prospect.
- D. All discussions and/or reports of gifts and capital campaign commitments made during campaign committee meetings are to be held in confidence until the donor’s desires concerning publicity or anonymity are expressed in the written confirmation of the pledge or gift.

## LANGUAGE REPOSITORY

### POLICIES CONCERNING GIFT ACCEPTANCE

#### IV. GIFT VALUATIONS

- A. Publicly Traded Securities – In keeping with IRS regulations, gifts of securities will be valued at the average market value of the specific security on the date the full interest in the transferred property is received either electronically or physically.
- B. Privately Held Securities - Gifts of closely held marketable securities will be valued based on a qualified independent appraisal at the time of transfer. Generally, gifts of privately held securities will be accepted only when conversion to cash within a five-year timeframe is expected.
- C. Life Insurance - Gifts of life insurance will be valued, for recognition purposes, based on the surrender value as of the date of the transfer.

#### VIII. MARKETABLE SECURITIES TRANSFERS AND SALES

- A. In the case of a gift or pledge payment in the form of marketable securities, the marketable securities will be sold immediately upon transfer of ownership and, ideally, no less than 24 hours from the date and time of transfer.
- B. As previously noted in Section IV. B. of these policies, gifts will be evaluated on the basis of the average market value of the specific marketable securities on the date of transfer.
- C. It is understood that the donor, in transferring ownership of the marketable securities, is making a charitable contribution and, as such, has no rights concerning the disposition, sale, or retention of any marketable securities given to THE DENTON PARKS FOUNDATION.
- D. Any loss or gain in the value of the marketable securities, resulting from the timing of the sale, will not be added or subtracted from the gift evaluation.
- E. Upon written request by the donor of securities and the approval of the Executive Director, Resource Development Manager, and Operations Director, THE DENTON PARKS FOUNDATION may agree to hold the marketable securities as transferred for a designated period of time. In this case, THE DENTON PARKS FOUNDATION willingly assumes all risks concerning potential benefit or loss due to changing securities values because the stock is retained rather than sold.

#### IX. BEQUESTS AND TESTAMENTARY GIFTS

- A. THE DENTON PARKS FOUNDATION will seek and accept gifts made as testamentary gifts through wills and codicils to wills. For campaign purposes, bequests will be accepted from individuals of any age though bequests from persons of 80 years or older will be categorized as “short term bequest” or some similar designation.
- B. In order for bequests to be counted or considered for any present or future planned giving or bequest recognition group, a copy of the will, specific section of the will pertaining to the bequest or the specific codicil to the will must be on file at THE DENTON PARKS FOUNDATION. In lieu of the specific document, a donor may file a gift agreement which states the nature of the bequest, its

estimated current value, the date the will or codicil was signed, and complete contact information for the donor and executor named in the bequest.

- C. When bequests are received, any instructions or restrictions from the donor, so long as they are legal and reasonable, will be followed.
- D. Also, gifts made from an Individual Retirement Account will be accepted for purposes of the capital campaign if the individual is at least 80 years old.