

Gift Acceptance Guidelines

Approved by the Board of Directors July 2007



Introduction and Background

Growing Hope Globally (Growing Hope) seeks outright gifts and future gift commitments that are consistent with its mission. Such gifts are an essential element in the support of ongoing programs both domestically and internationally.

Growing Hope seeks current and future gift commitments that are consistent with its mission. Gifts may be sought and accepted from a variety of sources.

The Director of Resource Development will coordinate all fundraising programs and seek assistance from the appropriate Growing Hope staff, volunteers and/or board members when special gift opportunities arise.

Growing Hope encourages its donors to support areas reflecting their interests. Requests by donors to remain anonymous will be honored. Information about donors is considered to be private and confidential and will not be made public.

When gifts are accepted with restrictions, restrictions will be honored. Gifts that are designated to specific overseas programs, implementing organizations or other non-operational accounts or campaigns will have 10% of those designated funds directed to Growing Hope Operations. Exceptions include: Foundation grants for a specific purpose.

Growing Hope is unable to accept gifts that are deemed to be too restrictive in their purpose or inconsistent with Growing Hope's stated purposes, programs, priorities or mission. Gifts received by Growing Hope shall not inhibit it from approaching other donors or limit Growing Hope in other circumstances. Gifts that may potentially expose Growing Hope to adverse publicity, cause the expenditure of additional resources (human or financial), or require additional responsibilities by Growing Hope will be referred to the President and Board Chairperson for approval.

Growing Hope will not accept gifts that may be in violation of its own charter and by-laws, or conflict with its mission and tax exempt purpose. Growing Hope reserves the right to refuse any donation if such support is not in keeping with the principles of Growing Hope or for other reasons which Growing Hope deems inappropriate.

Growing Hope operates its fundraising program in accordance with the guidelines and ethics established by the Association of Fundraising Professionals (AFP).

Once Growing Hope has accepted a gift, it becomes the property of Growing Hope, and the donor ceases to have any decision-making power regarding the gift assets or their disposition beyond those spelled out and mutually agreed to in writing prior to the acceptance of the gift.

Growing Hope shall not appraise or establish the value of any gift. Determining the deductibility of gifts for tax purposes is the responsibility of the donor. Growing Hope shall not provide tax advice to donors. Growing Hope shall not pay a finder's fee for any gift or as a condition to receiving a gift. For complex or significant gifts, Growing Hope advises the donor of the need for legal counsel in designing the gift.

Growing Hope shall not accept gifts where it knows that the mental competence of the donor is in question. This does not apply to donors acting as attorneys-in-fact.

For Growing Hope's accounting purposes, all gifts shall be valued according to generally accepted accounting principles and governed by FASB rules.

Categories of Gifts

Undesignated (Unrestricted Gifts)

- ♥ Gifts in this category are made outright and are among the most flexible and most desired because such gifts can be used to support areas in the organization that have the most pressing needs either domestically or internationally.
- ♥ Gifts that are received with no restriction will be treated as an unrestricted contribution to Growing Hope and may be used for general purposes.

Designated (Restricted Gifts)

- ♥ Such gifts are restricted or designated for a specific purpose of the organization.
- ♥ Gifts restricted for a specific purpose by the donor shall be reserved for that purpose in keeping with the wishes of the donor, provided that the specific purpose is consistent with the mission-critical program needs, priorities, objectives and financial resources of Growing Hope.

Types of Gifts

Endowments

- ♥ Growing Hope will work with prospective donors on the terms and conditions of restricted or unrestricted endowment funds, provide they support Growing Hope's programmatic missions or functions and are large enough to yield a meaningful annual income. The minimum required gift amount to establish a named endowment is \$10,000.
- ♥ In all cases, the establishment of a special purpose endowment fund requires the approval of the President and CEO and must be approved by formal action of the Growing Hope Board of Directors.
- ♥ Because conditions change over time, all negotiated endowment instruments should contain the following contingency clause:

If, in the opinion of the Administration of Growing Hope, all or part of the funds cannot be applied in strict conformance with the purposes previously stated, Growing Hope may use these funds for other appropriate purposes as nearly aligned to the original intent of the donor as good conscience and needs dictate and within the authorized powers of the President.

- ♥ In addition to a traditional endowment-type fund, Growing Hope may choose, at Board discretion, to create other Legacy giving opportunities. As a possible example, a gift may be given that may be distributed back to Growing Hope over a fixed number of years.

Cash / Check Gifts

- ♥ The most frequent method used to make a gift to Growing Hope is a personal check. Checks should be made payable to Growing Hope with instructions regarding its purpose. Checks may be mailed to Growing Hope's lockbox (see below)
- ♥ Gifts with no instructions will be treated as unrestricted and normally will be used to support the general purpose of the organization.
- ♥ The postmark date is the gift date for gifts of cash/check mailed to Growing Hope.

All Gifts Other Than Cash

- ♥ Growing Hope shall comply with all federal and state regulations regarding valuation and reporting of non-cash gifts.

Publicly Traded Securities

- ♥ Publicly traded securities, shares of stock in closely held companies, bond and government issues may be given to Growing Hope. Gifts of securities may be made by sending the certificate and executed stock power for each separate issue of stock or bond to the office of the President at the address listed above. Wiring gifts of securities to Growing Hope's brokerage account will assist in ensuring efficiency and avoiding certificate loss or delay. Since brokerage houses may not divulge information about the name of the stock and the number of shares transferred, Growing Hope asks that, whenever possible, donors notify us in advance of a stock transfer with that information. It is Growing Hope's policy to sell securities as soon as the gift is received.
 - ♥ **Publicly Traded Securities** – These are securities regularly traded on a public stock exchange. The value of the gift will be the mean of the highest and lowest selling prices quoted for the stock on the day of the gift.
 - ♥ **Closely Held securities** – These are shares of stock in entities that have been organized for profit-making purposes and are rarely traded on stock exchanges. Donors may give shares of closely held corporate securities in the same manners as publicly traded securities. However, because closely held stock is not publicly traded, these securities present special concerns. To convert them into cash, Growing Hope must own the securities. Thus, it will not, prior to the gift, formally or informally, enter into any redemption agreement with the donor. Gifts of closely held securities may only be accepted by Growing Hope and upon the approval of the President and CEO, and with the advice of legal counsel as needed.

Methods of Delivery of Securities

- ♥ If securities are hand-delivered to Growing Hope, the securities should be accompanied by a properly executed stock or bond power, as the value of the gift will be the mean of its fair market value on the date of delivery.
- ♥ To facilitate the process, transfer by wire through brokerage accounts from the donor's account to a Growing Hope account can be arranged. Information regarding wire transfers can be obtained from the office of the President and CEO.
- ♥ If the securities are mailed to Growing Hope, donors should obtain a stock power from their banker or broker, signing their names exactly as they appear on the certificates, and have their signatures guaranteed by their banker or broker. The stock power(s) and a letter of instruction that states the intended purpose of the gift should be mailed to the office of the President and CEO under separate cover from the stock certificate(s). No other information need be completed on the certificate or stock power. The stock certificate(s) should be sent by registered mail, return receipt requested to the President and CEO. Unendorsed stock certificates are non-negotiable. The postmark date on the stock power will be used as the gift date when the stock certificate and stock power are mailed under separate covers.

Non-Traditional Investments

- ♥ Growing Hope may accept gifts of non-traditional investments, after a thorough review of the following factors:
 1. Marketability;
 2. Nature of any applicable restrictions;
 3. Legal and other liabilities associated with the asset;
 4. Carrying cost such as administrative and legal fees; and
 5. Exposure to unrelated business income tax liability.

Real Estate

- ♥ Growing Hope may accept gifts of real estate, including houses, condominiums, commercial properties, rental property and undeveloped land, after a review of the following factors:
 1. The usefulness of the property for Growing Hope purposes;
 2. The marketability of the property;
 3. The existence of restrictions, reservations, easements and/or other limitations
 4. The existence of encumbrances such as mortgages and mechanics' liens;
 5. Whether Growing Hope would own the property entirely or share ownership;
 6. Carrying costs, such as property owner's association dues, taxes, insurance and other maintenance expenses; and
 7. Fair market value in relation to the costs and limits listed above as determined by a qualified appraisal, appointed by Growing Hope at the expense of the donor, conducted in accordance with Internal Revenue Services (IRS) guidelines.

- ♥ Growing Hope shall assess potential environment risks. This assessment shall include the following:
 1. An inquiry of the present owner regarding the property's history;
 2. A title search to determine who the prior owners might have been;
 3. A consultation with federal, state, and local environmental agencies to find out whether the property has any history of hazardous waste contamination;
 4. A visual inspection of the property for any evidence of environmental hazards; and
 5. An environmental audit conducted by a professional service at the expense of the donor.
- ♥ Before Growing Hope becomes owner of record, all gifts of real estate, must be approved by formal action of the Growing Hope Board of Directors.

Farmland

- ♥ Growing Hope may accept gifts of farmland after a thorough review as set forth above under Real Estate. Growing Hope shall apply a due diligence process, attached as Annex 1, to determine its fit with the potential farmland donation, and shall engage with the potential donor through the process. Growing Hope's President and CEO is responsible for the due diligence process and will present its findings to the Growing Hope executive committee.
- ♥ If a gift of farmland is accepted, Growing Hope will review the viability and usefulness of the gift after a period of three consecutive growing seasons.

Tangible Personal Property

- ♥ Growing Hope may accept gifts of tangible personal property, including works of art, jewelry, antiques, coins, stamps and other collections, automobiles, manuscripts and books. Such gifts may be accepted only after a thorough review indicates the property is readily marketable or may be used by Growing Hope in a manner consistent with its mission.
- ♥ An essential issue for donors to consider before contributing a gift of tangible personal property is whether they would like to use or display the property. Prospective donors should be advised that Growing Hope reserves the right to sell or otherwise dispose of the personal property in question, if such action is financially advisable or necessary.
- ♥ Whenever donors estimate their gifts of tangible personal property at \$5,000 or more, they must obtain a written appraisal by a qualified independent appraiser. Growing Hope cannot appraise or assign valuation to gifts of tangible property. The President and CEO must accept such gifts in consultation with legal counsel as needed.

Planned Gifts

- ♥ Planned gifts involve the transfer of substantial assets that affect the distribution of the donor's estate. Deferred gifts do not immediately confer institutional ownership and are generally not made out of a donor's current earnings. Growing Hope, or a foundation related to one of its member organizations may serve as sole trustee of any deferred gift that requires the appointment of a fiduciary, if such an appointment is consistent with the policies of Growing Hope regarding the acceptance of the gift.

The normally acceptable methods of making deferred gifts to Growing Hope are:

Bequest In A Will

- ♥ A bequest is a gift of any amount or form made to Growing Hope in a donor's will. Bequests may provide for a specific dollar amount in cash, specific securities, specific articles of tangible personal property, or a percentage of the residue of the estate.
- ♥ Bequests may be given as unrestricted or restricted gifts. A restricted bequest supports a certain purpose or program designated by the donor. Such a fund may be established as indicated in the approval section of this document. A gift in any amount may be accepted as a contribution to an existing fund earmarked for a specific need so long as the terms and condition of the existing fund so permit.
- ♥ Among donor options are residuary and contingent bequests. A residuary bequest will give Growing Hope all or a portion of the estate after all debts; taxes, expense and all other bequest have been paid. A contingent bequest will ensure that, despite unforeseen circumstances, specified property will pass to Growing Hope rather than unintended beneficiaries.
- ♥ Donors may also establish by will an annuity trust or unitrust. The bequest can be arranged so as to provide a life income for a designated beneficiary by directing that the bequest be used to establish a charitable remainder unitrust. If such a gift is made by will, the remainder of the trust will pass to Growing Hope only after the death of the life income beneficiary. Before Growing Hope accepts a gift of an annuity trust or unitrust, it will consider whether such a gift requires it to administer the trust. Acceptance of an annuity trust or unitrust with Growing Hope as administrator requires approval of the President and CEO.
- ♥ Gifts may be made to Growing Hope through the execution of a new will or addition, or through a codicil to an existing will. Donors may also add either a residual or contingent codicil to their wills.
- ♥ Donors are encouraged to recognize that over the many years following the establishment of an endowment, the needs, policies and circumstances of Growing Hope may change in unforeseen ways. Growing Hope administration must have the flexibility to make use of funds in the best interest of the institution and in accordance with donor interest and specification. Thus, donors are advised to describe the specific purposes of their gifts as broadly as possible and to avoid detailed limitation and restrictions.
- ♥ Donors considering bequests for a specific purpose are encouraged to consult with the President and CEO, or a member of the funds development staff. The inclusion of a contingency clause similar to the clause in the section on "Endowment Funds" is most desirable.

Gifts Of Life Insurance

- ♥ Life insurance can be an excellent means of giving a gift to Growing Hope. For instance, a donor may irrevocably assign a paid-up life insurance policy that is no longer needed for family protection, making Growing Hope both the policy owner and the beneficiary.

A donor may also elect to purchase a policy and make gifts of the premiums. If the donor does not choose to continue to pay the premiums, Growing Hope may elect to:

1. Continue to pay the premiums and receive the full face value of the policy at the donor's death;
2. Convert the policy to paid up insurance in a reduced amount with no further payments;
3. Surrender the policy for its present cash value, which will be the normal preference in the event of non-payment of the premiums.

Before contributing a gift of life insurance to Growing Hope, donors should consult with the President and CEO to ensure that the gift will be consistent with Growing Hope's policies and needs.

Gift of a Remainder Interest in a Personal Residence or Farm

- ♥ A donor can give to Growing Hope a remainder interest in a personal residence, such as a home or condominium or farm. The donor or other occupants may continue to occupy the residence or operate the farm without disruption for the duration of the donor's life. Thereafter, the residence or farm will either be sold or used by Growing Hope for purposes specified by the donor, if any. The procedure for evaluating proposed gifts of real property, including farmland, as outlined above, also apply to the gifts of a remainder interest in property.
- ♥ If a life estate is retained in the property, expense for maintenance, real estate taxes, and any indebtedness relating to the property are to be borne by the donor or the primary beneficiary.

Matching Gifts

- ♥ Growing Hope welcomes matching gifts including employer matches of employee gifts

Corporate Gifts

- ♥ Growing Hope recognizes the desire of certain corporations to support the organization by providing gifts, and further recognizes that such donations may come from the corporation's charitable funds or marketing funds. Growing Hope will enthusiastically conduct due diligence on all gifts for potential fit with the mission and intention of Growing Hope. The President and CEO shall be responsible to ensure the Executive Committee is informed about each corporate gift and if desired, a further review will be conducted. Growing Hope will commit to engage with potential corporate donors through the process. Growing Hope's President and CEO is responsible for the due diligence process.
- ♥ When corporate gifts are designated to provide direct support for specific overseas food security projects, Growing Hope will defer gift acceptance to its member organizations implementing the designated overseas projects.

Foundation Grants / Gifts

- ♥ Growing Hope shall apply the corporate gift acceptance guidelines to gifts from foundations and will adapt a similar due diligence process as indicated for corporate gifts. In the case of small foundations, information available may be limited, and Growing Hope will assess reputation risk by considering the organization and members as a whole. Growing Hope's President and CEO is responsible for the due diligence process.

Gift Recognition and Credit

Growing Hope wishes to recognize and honor generous donors who have made charitable gifts to advance its mission. Growing Hope will also scrupulously respect the wishes of donors who desire anonymity. In all cases, the gift acceptance, recording, and recognition standards of Growing Hope will conform to widely recognized national standards.

Among the more important of these standards are the following:

1. There will be a clear distinction among outright and deferred gifts, unconditional and conditional commitments, irrevocable gifts and revocable commitments.
2. Gift recognition standards will be based upon equitable treatment of the present value of gifts.

The Growing Hope President and CEO must approve exceptions to the gift acceptance policies outlined in the above document. In some cases, Board approval may also be sought. Growing Hope reserves the right to change these policies at any time and without notice.

Annex 1 - Gifts of Farmland Due Diligence Process

Introduction

The purpose of this tool is to assist Growing Hope to determine whether potential gifts of farmland are viable and do not pose unnecessary financial risk to the organization, and to inform Growing Hope's Executive Committee of points of engagement with a potential farmland donor.

Growing Hope community growing projects start with the use of farmland for agricultural production purposes. Farmland is the starting point and cornerstone of our U.S. growing projects. Unlike most charitable organizations, it is not the intent of Growing Hope to receive a gift of farmland and immediately sell it. Growing Hope's intent is to have this land continue to produce crops, which are then sold, and the income used to establish sustainable food security programs in the developing world in perpetuity. Thus, the land becomes a donor's living legacy.

Acceptance of gifts of farmland is dependent on finding and/or paying farmers to farm it and communities to sponsor the growing project, any existing leases at the time of the gift will be honored.

In the case of farmland, the basic contingency clause is augmented as follows:

If, in the opinion of the President and the Board of Directors of Growing Hope, all or part of the farmland cannot be applied in strict conformance with the purposes previously stated, Growing Hope may sell the property and use the sale proceeds for other appropriate purposes as nearly aligned to the original intent of the donor, such as purchasing an alternate farm property, as good conscience and needs dictate and within the authorized powers of the President and Board of Directors.

The Farmland Due Diligence process is coordinated and led by Growing Hope's President and CEO with consideration by the Growing Hope Executive Committee.

Information to be Gathered:

1. Donor Name
2. Donor Address and Phone
3. Donor's attorney and/or real estate agent
4. Attorney/Agent Address and Phone
5. Main contact name, position, and contact details
6. Primary Growing Hope Executive Committee Contact
7. Location/Address of farmland
8. Legal or other liabilities associated with the farmland property
9. Expected proceeds resulting from growing project

Questions to Answer:

1. Existence of restrictions, reservations, easements and/or other limitations?
2. Existence of encumbrances such as mortgages and mechanics' liens?
 - ♥ Will Growing Hope own the property entirely or share ownership?
 - ♥ Name and contact information of party in shared ownership
3. Carrying costs, such as taxes, insurance and other maintenance expenses?
 - ♥ Who will pay for carrying costs?
 - ♥ Name & contact information:
4. Fair market value in relation to the costs and limits listed above as determined by a qualified appraisal, appointed by Growing Hope (at the expense of the donor) conducted in accordance with IRS guidelines
5. Name and contact info of appraiser

6. Environmental risks including the following:

- ♥ An inquiry of the present owner regarding the property's history;
- ♥ A title search to determine who the prior owners might have been;
- ♥ A consultation with federal, state, and local environmental agencies to find out whether the property has any history of hazardous waste contamination;
- ♥ A visual inspection of the property for any evidence of environmental hazards; and
- ♥ An environmental audit conducted by a professional service at the expense of the donor

7. Name of person(s) farming the property

8. Name of person occupying property if house is included

9. Name of person to draw up lease agreement if necessary

10. What fees will be incurred with regard to leasing property?

11. Is there exposure to unrelated business income tax liability?