

## VCA BOOSTER CLUB

### GIFT ACCEPTANCE POLICIES AND GUIDELINES

VCA Booster Club (the “Corporation”) is a Nevada nonprofit corporation, exempt from tax as an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Code”). The Corporation’s mission is to provide support for all student athletes of Vegas Cheer Authority and to promote and support all-star cheerleading in the State of Nevada.

#### **I. Purpose of Policies and Guidelines**

The Board of Directors of the Corporation and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and success of the Corporation and its activities. These policies and guidelines govern the acceptance of gifts by the Corporation and provide guidance to prospective donors and their advisors when making gifts to the Corporation. The provisions of these policies shall apply to all gifts received by the Corporation for any of its activities.

#### **II. Use of Legal Counsel**

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

- Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- Documents naming the Corporation as Trustee;
- Gifts involving contracts, such as bargain sales or other documents requiring the Corporation to assume an obligation;
- Transactions with potential conflict of interest that may invoke IRS sanctions;
- Potential gifts of partnerships, limited liability interests or similar interests.
- Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee.

#### **II. Conflict of Interest**

The Corporation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

#### **III. Restrictions on Gifts**

The Corporation 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. The Corporation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the Corporation’s corporate documents, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Corporation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee.

#### IV. The Gift Acceptance Committee

The Gift Acceptance Committee shall consist of the Officers of the Corporation and such other members as appointed by the Chair of the Board of Directors of the Corporation. The Gift Acceptance Committee is charged with the responsibility of reviewing all gifts made to the Corporation, properly screening and accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate.

V. **Types of Gifts.** The following gifts are acceptable, but may require additional review and/or paperwork before acceptance or to ensure the donor has appropriate acknowledgements:

- Cash
- Tangible Personal Property
- Securities
- Real Estate
- Interests in limited liability corporations or partnerships
- Remainder Interests in Property
- Oil, Gas, and Mineral Interests
- Bargain Sales
- Life Insurance
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Retirement Plan Beneficiary Designations
- Bequests
- Life Insurance Beneficiary Designations

VI. **Gift Acceptance Criteria.** The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash is acceptable in any form. Checks shall be made payable to “the Corporation” and shall be delivered to the President in the Corporation's administrative offices.
2. **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:
  - Does the property help directly fulfill the mission of the Corporation?
  - Is the property marketable?
  - Are there any undue restrictions on the use, display, or sale of the property?
  - Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Gift Acceptance Committee of the Corporation.

3. **Securities:** The Corporation can accept both publicly traded securities and closely held securities.
4. **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 unless otherwise directed by the board. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Gift Acceptance Committee.
5. **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 Gift Acceptance Committee. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent the Corporation from ultimately converting those assets to cash,
- The security is marketable, and
- The security will not generate any undesirable tax consequences for the Corporation.

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 final determination on the acceptance of closely held securities shall be made by the Gift Acceptance Committee and, when necessary, legal counsel. Every effort will be made to sell non-marketable securities as quickly as possible.

6. **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, the Corporation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Corporation 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.

When appropriate, a title binder shall be obtained by the Corporation 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 Gift Acceptance Committee and reviewed by the Corporation's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Corporation?
- Is the property marketable?
- Are there restrictions, reservations, easements or other limitations on or with the property?

- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, *etc.*, associated with the property?
  - Does the environmental audit reflect that the property is not damaged?
7. **Remainder Interests In Property:** The Corporation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. 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, the Corporation may use the property or reduce it to cash. Where the Corporation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.
8. **Oil, Gas, and Mineral Interests:** The Corporation may accept oil, gas and mineral property interests, when appropriate. Prior to acceptance of an oil, gas and/or mineral interest, the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the Corporation's legal counsel. Criteria for acceptance of the property shall include:
- Gifts of surface rights should have a value of \$20,000 or greater.
  - 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).
  - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
  - A working interest is rarely accepted. A working interest may only be accepted where when there is a plan to minimize potential liability and tax consequences.
  - The property should undergo an environmental review to ensure that the Corporation has no current or potential exposure to environmental liability.
9. **Bargain Sales:** The Corporation will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Corporation. All bargain sales must be reviewed and recommended by the Gift Acceptance Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:
- The Corporation must obtain an independent appraisal substantiating the value of the property.
  - If the Corporation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
  - The Corporation 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.
  - The Corporation must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
10. **Life Insurance:** The Corporation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon

receipt. If the donor contributes future premium payments, the Corporation will include the entire amount of 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, the Corporation may:

- Continue to pay the premiums,
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

11. **Charitable Remainder Trusts:** The Corporation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee. The Corporation will not accept appointment as Trustee of a charitable remainder trust.
12. **Charitable Lead Trusts:** The Corporation may accept a designation as income beneficiary of a charitable lead trust. The Corporation will not accept an appointment as Trustee of a charitable lead trust.
13. **Retirement Plan Beneficiary Designations:** Donors to and supporters of the Corporation will be encouraged to name the Corporation as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Corporation until such time as the gift is irrevocable. The Corporation will seek advice from its accounting professionals as to how and when to record such gifts.
14. **Bequests:** Donors to and supporters of the Corporation will be encouraged to make bequests to the Corporation under their wills and trusts. Such bequests will not be recorded as gifts to the Corporation until such time as the gift is irrevocable. The Corporation will seek advice from its accounting professionals as to how and when to record such gifts.
15. **Life Insurance Beneficiary Designations:** Donors to and supporters of the Corporation will be encouraged to name the Corporation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Corporation until such time as the gift is irrevocable. The Corporation will seek advice from its accounting professionals as to how and when to record such gifts.

## VI. **Miscellaneous Provisions**

1. **Securing appraisals and legal fees for gifts to the Corporation:** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Corporation.
2. **Valuation of gifts for development purposes:** The Corporation will record a gift received by the Corporation at its valuation for gift purposes on the date of gift.
3. **Responsibility for IRS Filings upon sale of gift items:** The Gift Acceptance Committee of the Corporation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three (3) years of receipt by the Corporation when the

charitable deduction value of the item is more than \$5,000. The Corporation must file this form within 125 days of the date of sale or disposition of the asset.

4. **Substantiation and Acknowledgement:** Substantiation and Acknowledgement of all gifts made to the Corporation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Corporation's Board.

**VII. Changes to Gift Acceptance Policies**

The Corporation's Board of Directors must approve any changes to or deviations from these policies.

\* \* \* \* \*

These policies and guidelines were reviewed and accepted by the Board of Directors of VCA Booster Club by resolution dated July 28, 2011.

VCA BOOSTER CLUB,  
a Nevada non-profit corporation

By:   
Lise Brown, Its Secretary