



HOPKINS HOUSE

GIFT POLICIES MANUAL

GIFT ACCEPTANCE AND CREDITING POLICIES

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GIFT MINIMUMS AND NAMING GUIDELINES

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RELATED POLICIES AND DOCUMENTS

April 2013



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I. INTRODUCTION: PURPOSE OF MANUAL

The purpose of this manual is to answer the following questions for Hopkins House – A Center for Children and Their Families (Hopkins House/Organization) gift officers and donors as it relates to gift-related issues:

- ❖ What types of gifts can Hopkins House accept?
- ❖ Who is able to solicit and accept gifts on behalf of Hopkins House?
- ❖ What documentation is required to transfer each type of asset to Hopkins House?
- ❖ What documentation is required to document the terms of restricted gifts?
- ❖ How does Hopkins House determine the value of each gift for the purpose of recording it in the Organization’s gift records?
- ❖ How will gifts be recorded in the Organization’s financial statements?

This manual does not anticipate all possible gift situations and will be amended, accordingly and appropriately from time to time.

II. INFORMATION ABOUT HOPKINS HOUSE – A CENTER FOR CHILDREN AND THEIR FAMILIES

- ❖ **Legal Name:** The legal name of the Organization is HOPKINS HOUSE – A CENTER FOR CHILDREN AND THEIR FAMILIES.
- ❖ **Educational Programs:** Hopkins House has two educational programs: (a) Preschool Academy and the (b) Early Childhood Learning Institute (ECLI).
- ❖ **Locations:** The Hopkins House Central Office is located at 5904 Richmond Highway, Suite 525, Alexandria, VA 22303. Its programs are situated in the City of Alexandria, Fairfax County, Annandale, and Arlington County, Virginia.
- ❖ **Founding and Incorporation:** Hopkins House was founded in 1939 and incorporated in 1946 by the Commonwealth of Virginia.
- ❖ **Tax Exempt Status:** Hopkins House is a Section 501(c)(3) nonprofit organization under a ruling by the Internal Revenue Service.
- ❖ **Employers Identification Number (EIN):** The Organization’s Employer Identification Number is 54-0525701. This number applies to all the Organization’s departments and programs.

III. GIFT GOVERNANCE & MANAGEMENT

The Development Office, under the supervision of the President and under the governance of the Hopkins House Trustees, is the gatekeeper for all Organization resource development efforts. The Chief Development Officer manages the Development Office.

IV. SAGE FUNDRAISING 50



SAGE Fundraising 50 (SAGE) is the official gift recording system of the Organization. This system keeps detailed historical records of gifts and grants to the Organization as well as biographical data on donors and prospects. SAGE is also the essential tool for planning and managing fundraising activities. Hopkins House records in SAGE only those gifts that are considered tax-deductible by the Internal Revenue Service. The SAGE Fundraising 50 system is managed by the Hopkins House Resource Development Office. To ensure accurate documentation of gifts and to maintain a system of checks and balances, the Office of the Chief Financial Officer documents all gifts received by the Organization in QuickBooks Premier Nonprofit Edition.

V. RESOURCE DEVELOPMENT PROCEDURES

Under the governance of the Hopkins House Trustees, and the oversight of the President, the Development Office executes resource development projects on behalf of the Organization. Resource development activities include, but are not limited to:

- ❖ **Proposal:** A written request or application for a gift or service;
- ❖ **Direct-mail Fundraising:** The solicitation of funds by mass mail, whether electronic or paper;
- ❖ **Target Market Solicitation:** A group of potential donors or other constituents that have certain characteristics in common, toward which a concerted effort is directed; and,
- ❖ **Special Event:** An event or program executed to raise funds for the Organization, in general, or for a specific entity or purpose within Hopkins House.

VI. WHAT IS A GIFT?

A gift is a voluntary, irrevocable, gratuitous transfer to, and acceptance by, Hopkins House of cash or cash equivalent, securities, or property value, or execution of an instrument that legally vests an interest in the Organization.

- ❖ Gifts can come from individuals, corporations, partnerships, private liability companies, private foundations, community or corporate foundations, donor-advised funds, public charities, estates, and trusts.
- ❖ Gifts may be made either *outright* (i.e. the donor retains no use of, or ownership in, the assets donated) or *in trust*, in which case the donor contributes to the Organization either a “future interest” in a trust’s principal value or the right to a trust’s income for a certain term.
- ❖ The donor may designate a gift for *unrestricted use* by the Organization or a particular unit. A donor may also make a *restricted use* gift by designating a specific purpose for the gift.



- ❖ The donor may limit the expenditure of a gift by adding the gift to an existing (or establishing a new) endowed fund.

The purpose and use of a gift as specified by the donor must be appropriate to the functions and character of Hopkins House, as determined by the Organization’s policies and procedures, and may not require Hopkins House to act contrary to the law or public policy in any manner.

Gifts should be in amounts appropriate to the specified uses and consistent with the Organization’s published program and planning priorities. Gifts should not be directed to purposes that are so narrowly restrictive that effective use or administration – at any juncture – will be problematic to the Organization.

Hopkins House will accept no gift with restrictions that, in the Organization’s judgment, unlawfully discriminate on the basis of race, creed, color, citizenship, national origin, sexual orientation, gender, age, veteran status, or disability.

Gifts requiring a commitment of the Organization to spend Hopkins House funds, either upon receipt or in the future, in addition to amounts donated or pledged, must receive prior approval from the Budget & Personnel Policy Committee of the Trustees and the Hopkins House Trustees. Examples of such gifts include:

- ❖ Matching funds by the Organization;
- ❖ A commitment to continue a project after termination or exhaustion of the gift;
- ❖ Financing of construction projects; and,
- ❖ A commitment of finance and/or administer an undertaking outside the routine functioning of the Organization or any part thereof (e.g., accruing of income to apply to the gift objective).

The following transfers *do not* constitute gifts. Hopkins House will not record the value of the transfers in SAGE Fundraising 50:

- ❖ Any “grant” that involves contractual obligations of the Organization to perform services or deliver products to the grantor. A transaction that involves a grant or contract may also include a separate gift which should be treated accordingly;
- ❖ A transfer for the benefit of a specific individual (e.g., money to pay the tuition of a specific individual);
- ❖ Investment income on previous gifts to Hopkins House (e.g., dividends, royalties, rents);
- ❖ Interest income earned on gift funds;
- ❖ Contract revenues;
- ❖ Appraisal fees paid by donors in relation to their gifts;



- ❖ Payments for goods and services (Note: The only exception to this rule involves quid pro quo gifts, payments that are part gift and part non-gift (e.g., special event tickets, sponsorships); and,
- ❖ A contribution to an entity that is not legally part of Hopkins House.

Direct donor involvement in the administration of a gift is prohibited, although some advisory, consultative involvement may be acceptable. The convening of oversight committees should be discouraged in accepting a gift. If advisory boards are required as a condition of a gift, Hopkins House and not the donor should appoint the majority of members.

Quid Pro Quo Gifts/Premiums: Premiums are goods or services received by donors related to their gifts to the Organization. The donors must reduce the value of their contributions for income tax purposes by the value of the premium received. It is Hopkins House’s legal obligation to provide information about this adjustment to donors on receipts issued by the Organization. When a donor receives a premium, Hopkins House adjusts its SAGE Fundraising 50 gifts system to accurately credit only the amount of the actual (deductible) contribution to the donor’s giving record (the amount of the gift minus the fair market value of (FMV) of the premium).

VII. GIFT SOLICITATION AND ACCEPTANCE

The Trustees and President reserve to themselves sole authority to solicit funds on behalf of the Organization, except as they may delegate to the Chief Development Officer. It is also the policy of Hopkins House that no other employees, except the President and Chief Development Officer as delegated, or paid agents of Hopkins House shall be authorized to solicit or accept donations on behalf of the Organization. Exceptions to this rule are the small-scale fundraising efforts conducted by the leadership staff of the educational programs and the councils of educational programs under the guidance of its leadership staffs for their respective programs: Executive Parents Council (EPC) of the Preschool Academy and the Student Leadership Council of the Early Childhood Learning Institute (ECLI).

Hopkins House can accept gifts under its full legal name, Hopkins House – A Center for Children and Their Families, or its commonly known name “Hopkins House”. Donors are to make checks to all entities of the Organization payable in this manner. Any further direction or restriction should be entered on the memo line of the check and/or described in the gift transmittal correspondence.

VIII. PLEDGES: PROMISES TO GIVE OVER A PERIOD OF TIME

Hopkins House may accept a donor’s written promise to make gifts over a period of time. Such a promise is called a pledge. Hopkins House will record pledges in SAGE Fundraising 50 when



it has appropriate documentation from that donor and can reasonably expect the donor to fulfill the commitment within a specified amount of time.

Hopkins House requires the use of the *Hopkins House Donor Letter of Commitment* form to formalize and record pledges of \$25,000 or greater. This *Form* documents:

- ❖ The amount the donor promises to give to Hopkins House;
- ❖ The period in which the donor intends to make gifts in satisfaction of the promise and or a schedule of payments (generally not to exceed 3 years); and,
- ❖ The purpose(s) for which the gift is to be used.

All pledges to Hopkins House of \$25,000 must be accepted on behalf of the Organization by a member of the Trustees, the President, or the Chief Development Officer in the form of gift agreement (*Hopkins House Donor Letter of Commitment*).

Hopkins House credits any gift later made by a donor toward a recorded pledge using the fair market value of the gift as of the date of the gift.

IX. GIFTS FROM INDIVIDUALS

- ❖ ***Outright:*** An outright gift is the irrevocable transfer of money or property with no rights reserved by the donor. Hopkins House records in SAGE Fundraising 50 the fair market value of the gift as of the date the transfer is complete.
- ❖ ***In Trust:*** Hopkins House can accept gifts in which the Organization accepts titles to a remainder interest in trust of property in return for an obligation to pay income to the donor and/or other beneficiaries for their lives or when the beneficiaries die or the trust otherwise terminates. These gifts may be in the form of (a) charitable remainder unitrusts, (b) charitable remainder annuity trusts, (c) charitable gift annuities, or (d) contributions to a pooled income fund.

Hopkins House records these gifts in SAGE Fundraising 50 at both their face value and the value of the remainder interest as determined under the Internal Revenue Code.

Hopkins House can also be the beneficiary of a charitable lead trust where Hopkins House's interest is in the form of a guaranteed annuity interest or a unitrust and the remainder is given to non-charitable beneficiaries. If the trust is properly structured, the donor may receive a deduction for the income interest.

- ❖ ***By Bequest:*** Hopkins House can accept gifts transferred pursuant to descendants' will, revocable living trusts, life insurance policies not owned by Hopkins House, retirement funds, or other estate planning documents.



A “bequest intention” is documented by the evidence that Hopkins House will receive a bequest upon a donor’s death. Hopkins House generally does not record bequest intentions as gifts in SAGE Fundraising 50. The Hopkins House Trustees may make an exception to this rule in certain circumstances, such as when Hopkins House receives a legally binding pledge to be in part from an estate.

- ❖ **Matching Gifts:** Hopkins House receives gifts from companies that match the contributions of their employees. Hopkins House allocates these matching funds to the same purpose as the donor/employee’s original gift, unless the donor requests otherwise or the policy of the company prohibits matching gifts.

- ❖ **Via Third Party Entities:** Hopkins House receives gifts from other donors at the advice or direction of third-party friends. Although these gifts would not come to Hopkins House without that direction or advice, Hopkins House books these gifts on the record of and issues a receipt to the legal entity making the donation. Hopkins House enters soft credit in SAGE Fundraising 50 to the party who advocated for the gift on Hopkins House’s behalf. (Due to the volume of gifts and referrals Hopkins House receives, the soft credit policy is only designated for members of the Trustees and members of its standing committees in order to record their fundraising mandates stipulated in the “Give or Get” policy. However, the Hopkins House Trustees may apply this credit to specific donors, at its discretion).

X. GIFT FUNDS

All gifts must be directed to a specific gift fund and recorded as such in SAGE Fundraising 50. Except in unusual circumstances, the choice of fund will be consistent with the written directions of the donor. All gifts requiring the creation of a *new* endowed fund must be documented in writing from the donor. All new endowed gifts of \$25,000 must be documented and approved by the Hopkins House Trustees. If a donor provides verbal instructions to add a gift to a currently existing fund, the Development Office documents these instructions with a memo, copied to the donor, providing details of these instructions.

A donor may designate both a recipient (specific program) as the beneficiary of a gift and a *purpose* for which the gift is to be used. If the donor does not designate a specific gift recipient or purpose of a gift, the gift will be designated as “unrestricted” and added to the Organization’s General Fund for discretionary use.

A gift fund can either be unrestricted, either for the Organization as a whole University or an identified Preschool Academy, institute, department, or program, or restricted to a particular use or purpose.



XI. NAMING

IRS regulations and Trustees' protocol for "Naming" (e.g., building, awards, scholarships, and endowments) provide that there can be no donor influence on "naming". A promise that a "naming" will be awarded may not be part of a gift agreement. Only the Hopkins House Trustees are authorized to establish "naming". Gifts or pledges of gifts at \$25,000 or above will be submitted for review to the Trustees for naming consideration, unless said gifts or pledges are a part of a previously established campaign by the Hopkins House Trustees.

For all gift levels of \$25,000 and above, a signed letter of intent and payment schedule must be received before the gift will be included in any recognition materials or any campaign publications.

Gifts less than \$25,000 will be mentioned in the first update to be published after the gift or pledges is received and then in the final donor honor roll listing.

If an award is presented to a donor during a gift campaign, the language must be approved by the donor before ordering, but should conform to basic standards adopted by the Organization.

Additionally, the gift will be listed on all other campaign-recognition materials, such as campaign reports and updates and in any cumulative campaign recognition efforts. Such recognition will begin as a signed letter of the pledge or the *Hopkins House Donor Letter of Commitment*.

Typical Hopkins House Major Campaigns include:

- ❖ ***Building Campaign Fund:*** \$1 Million Gift Level: This gift can be made as a multiple year-pledge, but must be at least two-thirds completed before any signage will be installed. The donor will be recognized with signage on the outside of the building. Language for the plaque must be approved by the donor, but should be along the lines of: "The construction of this building was made possible by the generosity of [Donor(s)]."
- ❖ ***Renovated Wing of Building Campaign Fund:*** \$500,000 Gift Level: The gift can be made as multiple year pledge, but must be at least two-thirds completed before any signage will be installed. The donor will be recognized with signage in the renovated wing of the building. Language for the plaque must be approved by the donor, but should be along the lines of: "The renovation of this space was made possible by the generosity of [Donor(s)]."
- ❖ ***Program Development:*** \$250,000 Gift Level: This gift can be made as a multiple-year pledge, but must be at least two-thirds completed before any signage will be installed. The donor will be recognized with signage on the property, such as "[Donor(s) Institute."



Recognition would include signage on the property and prominent mention in the Hopkins House Annual Report, Quarterly Newsletter, and website. Once signage is in place, the building will then be referred to in all organizations publications by the appropriate name, for example, the “[Donor(s) Institute.”

- ❖ **Named Research Fund:** \$250,000 Gift Level: A one-time gift to establish a named research fund to focus on a specific area of greatest need identified by Hopkins House. Recognition would include prominent mention in all print materials related to the research, Hopkins House Annual Report, Quarterly Newsletter, and website.

- ❖ **Endowed Fellows Program:** \$25,000 Gift Level: A one-time gift to establish a named endowed fund to support the ongoing professional development and continuing education fellowship program of participants in the Hopkins House Early Childhood Learning Institute (ECLI). Recognition would include prominent mention in all materials related to the fellowship program, Hopkins House Annual Report, Quarterly Newsletter, and website. Once the fund is established, participants in the program would be referred to as the “(Donor name) ECLI Fellows”.

- ❖ **Named Endowment Scholarship:** \$10,000 Gift Level: A one-time gift to establish a scholarship fund through The Hopkins House Children’s Scholarship Fund. Recognition would include prominent mention in Hopkins House Annual Report, Quarterly Newsletter, and website, and relevant program materials.

XII. PUBLIC STATEMENTS ON GIFTS TO THE ORGANIZATION

The Development Office is responsible for maintaining the official donor records of all gifts. All gifts are entered into SAGE Fundraising 50. The Development Office, in consultation with the Hopkins House Trustees and the President, will determine appropriate means of public recognition (i.e. press releases, Hopkins House Annual Report) for gifts to the Organization.

XIII. RECEIPTS

Federal law requires Hopkins House to issue a written receipt to every donor who makes a gift valued at \$250 or more. Without this receipt, the donor may not take an income tax charitable deduction for the gift. However, it is the practice of Hopkins House to acknowledge all gifts through receipt.

In order to receive a receipt, a donor must make a gift that qualifies as a tax-deductible charitable gift by Internal Revenue Service rules. Only gifts recorded in SAGE Fundraising 50 will be receipted.



Hopkins House must have the following information to issue a receipt:

- Name of donor(s)
- Address of donor(s)
- Date of gift
- Description of the gift property

Receipts for non-cash gifts will not include information about the *value* of the gift.

All receipts issued from Hopkins House will explain either:

- 1) Federal income tax law requires Hopkins House to inform you that no goods or services were provided to you in return for your gift. Therefore, to the extent provided by law, the full amount of your gift is deductible, in whole or part, for income tax purposes; or,
- 2) Federal income tax law requires Hopkins House to inform you that the estimated fair market value you received from Hopkins House is \$____. Therefore, to the extent provided by law, the deductible amount of your contribution exceeds the value of the goods and services you have received.

XIV. DONOR RIGHTS

Hopkins House respects the generous donors who financially support its objectives and mission. Safeguarding donor privacy is good stewardship, is a matter of professional ethics, and sustains public trust. The “Donor Bill of Rights” (endorsed by the Council for Advancement and Support of Education (CASE), the Association of the Healthcare Philanthropy, the Association of Fund-Raising Professionals, and the American Association of Fund-Raising Counsel) states that donors are: “To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by the law. Hopkins House will make every effort to ascertain a donor’s wish in this regard and to abide by them when practicable.

- ❖ **Confidentiality:** In performing their duties, the Hopkins House Trustees and responsible staff are privy to information about individuals and families, such as giving history, assets, wealth, and family relationships. This is especially true for Hopkins House officials and representatives involved in fundraising and development activities. Due to the sensitivity of this information, it is the policy of Hopkins House that information shared among Hopkins House officials and representatives remains confidential, is not discussed with others in private or public settings, and is not disclosed or used for any other purpose.

It is the policy of the Organization to hold names of donors in confidence unless one or more of the following conditions apply:



- ❖ It is common and established practice to list such in gifts in a newsletter, annual report, etc.;
 - ❖ The gift qualifies for a naming opportunity elected by the donor;
 - ❖ The donor gives express permission to Hopkins House to make his/her gift public as part of a written document (such as a gift agreement) or other direct communication; and,
 - ❖ Hopkins House is obliged by legal requirements to divulge information regarding the gift.
- ❖ **Anonymity:** Hopkins House requires that the donor be identified for all substantial gifts. This information may be kept confidential with the consent of the President and Chief Development Officer. When a donor asks that s/he remains anonymous in relation to a gift, the appropriate level of anonymity is determined by the Organization.

Anonymity, in the context of Hopkins House, means that it is acceptable for Hopkins House Trustees and responsible standing committees, President and responsible senior staff (i.e. Chief Development Officer, Chief Academic Officer, and Chief Financial Officer) to know about a gift. The primary request is that their names and their gift not be discussed in any public setting or included in any published honor roll of donors. In this case, the gift will be recorded to the donor's individual entity record in SAGE Fundraising 50 but will not be published in any Organization materials or recognized in any public fashion.

XV. DUE DILIGENCE

Hopkins House has established these comprehensive gift acceptance policies to ensure fidelity to donor intent, manage expectations about how gifts will be used, ensure that all gifts meet the Organization's needs, and to safeguard the Organization's reputation.

For all gifts, first-hand knowledge of potential donors along with, when necessary, documentation of their backgrounds provide the basis for understanding whether acceptance of a gift is appropriate, and sets the stage for a thorough, fact-based analysis and evaluation. Thus, the following are considered prior to a gift solicitation and acceptance:

- ❖ The historic and current reputation of the prospective donor;
- ❖ The current and future needs of the Organization; and,
- ❖ Perceived, potential, or real conflicts of interest.



***HOPKINS HOUSE* – A CENTER FOR CHILDREN AND THEIR FAMILIES**

DONOR-PRIVACY POLICY

Hopkins House – A Center for Children and Their Families (Hopkins House) is committed to respecting the privacy of donors who donate their invaluable resources to the Organization. The types of donor information that the Organization collects and maintains are as follows:

- ❖ Contact information: Name, address, telephone number, and email address;
- ❖ Giving information;
- ❖ Information on events attended and publications received; and,
- ❖ Information provided by the donor in the form of comments and suggestions.

Hopkins House uses donors’ information to understand their interests in its mission and to update them on the Organization’s plans and activities. It is shared with designated staff, Hopkins House Trustees and the standing committees, and consultants only on a “need-to-know” basis.

The Organization also assures donors that their names, addresses, and other contact information will not be shared with a third party. Moreover, all information is either securely filed or shredded after use.

For those who do not wish to be included on the Hopkins House mailing list after making a gift/gifts to the Organization, should contact the Development Office to have their names removed. In this case, donors’ names will be removed from the mailing list, but will remain in SAGE Fundraising 50 with their documented gift(s).

In performing their duties, Hopkins House Trustees and staff are privy to information about individuals and families, such as giving history, assets, wealth, and family relationships. This is especially true for Hopkins House officials and representatives involved in fundraising and development activities. Due to the sensitivity of this information, it is the policy of Hopkins House that information shared among Hopkins House officials and representatives remains confidential, is not discussed with others in private or public settings, and is not disclosed or used for any other purpose.

It is the policy of the Organization to hold names of donors in confidence unless one or more of the following conditions apply:

- ❖ It is common and established practice to list such gifts in a newsletter, annual report, etc.;
- ❖ The gift qualifies for a naming opportunity elected by the donor;
- ❖ The donor gives express permission to Hopkins House to make his/her gift public as part of a written document (such as a gift agreement) or other direct communication; and,
- ❖ Hopkins House is obliged by legal requirements to divulge information regarding the gift.