

# **Federation of American Societies for Experimental Biology (FASEB) Gift Acceptance Policy**

*Approved by the FASEB Board November 10, 2020*

## **I. Introduction**

The Federation of American Societies for Experimental Biology (FASEB) is a non-profit corporation organized under the laws of the District of Columbia. FASEB encourages the solicitation and acceptance of gifts for purposes that help the organization further and fulfill its mission. The Federation Board and staff solicit outright and deferred gifts from individuals, foundations, and corporations to secure the future growth of FASEB. Positive relationships among all these parties are essential to FASEB's financial stability. Responsibility for the preservation and enhancement of philanthropy shall be retained by the Federation Board and carried out as herein defined.

The goal of this policy is to uniformly treat donors and their gifts with full disclosure and provide guidelines for the acceptance of gifts. The provisions of this policy apply to all gifts received by FASEB for any of its programs or services. Specific gifts are considered on their merits and final action is taken on those as authorized by the Federation Board.

## **II. Legal & Ethical Considerations**

- A. For the purposes of this policy, the term "gift" is defined as anything of tangible value, voluntarily offered to FASEB, without any tangible benefit being provided in return. The use of the term "gift" does not indicate acceptance.
- B. FASEB cannot give accounting, tax, or legal advice but works closely with the donor's advisors. FASEB strongly encourages donors consult with a qualified advisor. It is the donor's responsibility to secure independent legal counsel for all gifts made to FASEB.
- C. Where appropriate, FASEB seeks the advice of legal counsel in matters relating to the acceptance of gifts. Review by counsel is recommended for:
  1. Gifts where FASEB is named trustee;
  2. All gifts involving contracts or other documents where FASEB is to assume an obligation;
  3. All transactions with potential conflict of interest that have the potential for IRS sanctions; and
  4. Other instances in which the use of counsel is deemed appropriate by the Gift Acceptance Advisory Council.

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- D. In situations where advisors retained by FASEB prepare documents or render advice in any form to FASEB and/or a donor to FASEB, the professional involved is in the employ of FASEB and is not acting on behalf of the donor in any documents or other advice rendered. The documents should be reviewed by the donor's counsel prior to the completion of the gift(s).
- E. At all times FASEB employees, members of the Federation Board, and other volunteers are to avoid conflicts of interest and the appearance of conflicts of interest. A conflict of interest exists whenever a FASEB employee or a member of their immediate family, a member of the Federation Board or other volunteer or a member of their immediate family has a formal relationship with an actual or prospective donor, including an ownership interest, that conducts business with FASEB.
- F. To avoid any incidence of impropriety, FASEB employees and members of the Federation Board are discouraged from serving as personal representatives or executors of a donor's estate, unless the donor is a relative of the employee or member of the Federation Board.
- G. All FASEB employees are to avoid acts of actual impropriety as well as acts that create the appearance of impropriety. Therefore, employees shall not serve as the executor, administrator, or trustee of any will or trust in which FASEB is named as a beneficiary regardless of the date of the dispositive document.
- H. FASEB does not pay fees to any person as consideration for directing a gift to FASEB.
- I. No fundraiser is compensated based on a percentage of funds raised or on a contingent basis. Non-exempt fundraisers in the employ of FASEB are compensated based on the number of hours worked. Independent contractors and consultants are compensated on a project basis.

### **III. Gift Acceptance Advisory Council**

- A. *Authority.* The Gift Acceptance Advisory Council has authority for careful evaluation and acceptance or declination of all gifts.
- B. *Composition:*
  - 1. President of the Federation Board
  - 2. Chair(s) of the Development Committee
  - 3. Executive Director / Chief executive officer (CEO)
  - 4. Chief financial officer (CFO)
  - 5. Federation Treasurer

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### C. Responsibilities:

1. Reviewing all gifts made to FASEB including naming and designations;
2. Determining when legal counsel is required for the review of a gift;
3. Determining when an independent appraisal is required for a gift;
4. Determine when Board approval or review is required for a gift;
5. Recommend exceptions to this policy; and
6. Other appropriate matters that relate to the acceptance of gifts.

## IV. Acceptance / Declination of Gifts

### A. Gifts are generally accepted by FASEB provided they are aligned with the Federation's mission and strategic priorities:

1. *Cash*. Cash in any form, including by check, money order, credit card, or on-line.
2. *Marketable Securities*. All marketable securities will be sold promptly upon receipt unless otherwise directed by FASEB's Investment Policy Statement. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Gift Acceptance Advisory Committee.
3. *Bequests and beneficiary designations under revocable trusts, life insurance policies, commercial annuities, and retirement plans*. Donors are encouraged to make bequests to FASEB under their wills, and to name FASEB as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.
4. *Charitable remainder trusts*. FASEB will accept designation as a remainder beneficiary of charitable remainder trusts.
5. *Charitable lead trusts*. FASEB will accept designation as an income beneficiary of charitable lead trusts.

### B. Gifts subject to heightened review by the Gift Acceptance Advisory Committee and approval of the Federation Board:

1. *Gifts requiring FASEB's financial commitment*. Gifts requiring a present or future financial commitment from FASEB over and above the amount pledged.
2. *Non-endowed named funds*. Donors may establish non-endowed named funds upon approval of the Federation Board and execution of a written fund agreement. The Board is responsible for establishing a minimum gift to establish such a fund, and that gift must

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be received in full within one year of the establishment of the fund. An annual administration fee will be assessed to the fund and disclosed to the donor.

3. *Endowment funds.* Donors may establish funds in which they stipulate, as a condition of the gift, that the principal of the fund is to be maintained by FASEB in perpetuity and only investment income and net appreciation may be expended for FASEB's general purposes. Endowment fund income and net appreciation can be unrestricted or restricted by a donor for use in a particular FASEB program or initiative upon approval of the Federation Board and execution of a written fund agreement. The Board is responsible for establishing a minimum gift amount for establishing such a fund. Endowment gifts are commingled in the long-term investment portfolio of FASEB and adhere to FASEB's Investment Policy Statement, as adopted by the Federation Board.
4. *Tangible personal property.* The Gift Acceptance Advisory Council shall review and recommend to the Federation Board whether to accept any gifts of tangible personal property considering:
  - a. Does the property further the organization's mission?
  - b. Is the property marketable?
  - c. Are there any unacceptable restrictions imposed on the property?
  - d. Are there any carrying costs for the property for which the organization may be responsible?
  - e. Is the title/provenance of the property clear?
5. *Life insurance.* FASEB may accept gifts of life insurance where FASEB is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
6. *Real estate.* All gifts of real estate are subject to approval by the Federation Board. Proposed gifts of real property must be evaluated to determine whether the costs to FASEB associated with receiving the gift can prudently be accommodated using other FASEB resources. Criteria for acceptance of gifts of real estate include:
  - a. Is the property useful for the organization's purposes?
  - b. Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances, or other limitations associated with the property?

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- c. Are there carrying costs including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
  - d. Does an environmental review or audit reflect that the property is damaged or otherwise requires remediation?
7. *Securities and other ownership interests that are non-marketable.* These include stock and other ownership interests in a company that is not publicly traded on a recognized exchange, as well as partnership interests and LLC member interests.
- C. Gifts should be declined under certain conditions including, but not limited to, the following:
1. Gifts that are excessively restrictive in purpose or are too difficult to administer.
  2. The gift supports a purpose or program peripheral to existing principal purposes of FASEB or creates or perpetuates programs or obligations that dissipate resources or deflect energies from other programs or purposes.
  3. The gift injures the reputation or standing of FASEB or generates such controversy as to substantially frustrate and defeat the purpose to be served.
  4. Gift requires support from other resources that are unavailable, inadequate, or may be needed for other institutional purposes.
  5. A charitable gift benefits FASEB at the expense of the donor's interest. All programs, trust agreements, contracts, or commitments benefit, first and foremost, the individual needs of the donor, and secondly, FASEB.
- V. Donor-Defined Restrictions**
- A. Where a donor desires to place a restriction upon the use of a gift or bequest for a specific program, the donor is required to sign a legal instrument empowering the Federation Board, after a certain stated number of years, to re-evaluate the restriction.
1. If the original purpose to which the gift was restricted is no longer relevant, such as the discontinuation or alternative funding of a program for which the gift was made, or if the purpose is no longer a primary area of interest to FASEB, the document must empower the Federation Board to re-designate the use to another purpose or program. In such a case, FASEB will seek to identify a purpose or program similar to, or is an adequate substitute for, the original.
  2. In addition, this legal instrument should state that, with the written consent of the donor, the Federation Board may release, in whole or part, any restriction imposed on

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the use of the gift. If written consent of the donor cannot be obtained by reason of their death, disability, unavailability, or impossibility of identification, the Federation Board may petition a court to release the restriction imposed by the donor or gift instrument on the use or investment of the funds. In no event, however, can a release allow a fund to be used for purposes outside the mission of FASEB.

### **VI. Naming Opportunities**

- A. Naming opportunities are available for FASEB property and programs such as awards, fellowships, and scholarships. Such identifications shall be approved by the Federation Board.
- B. FASEB reserves the right to honor, through appropriate naming opportunities, any individual or organization, regardless of their giving history.
- C. The Federation Board shall review named property and programs every ten years to ensure alignment with FASEB's mission, purpose, and values.
- D. The Federation Board reserves the right to rename and / or remove a name where the name injures the reputation or standing of FASEB or generates such controversy as to substantially frustrate and defeat the purpose to be served.
- E. No property or program may be named without approval of the Federation Board. In considering such approval, the Board may consider the following:
  - 1. Certainty of the assets to be donated and their future value to FASEB;
  - 2. Likelihood of the donor having a "change of heart";
  - 3. Estimated present value of the gift;
  - 4. Donor's connection to FASEB;
  - 5. Donor's giving history; and
  - 6. Donor's record of volunteer service to FASEB.

### **VII. Investment of Gift, Bequest, or Endowment Funds**

- A. A donor may not restrict how gift, bequest, or endowment funds are invested by FASEB.
- B. All donors of major gifts and endowment funds shall be notified prior to the gift being made that investment of their gift is in accordance with the investment policy statement adopted by the Federation Board.
- C. Such notice informs the donor that his/her gift or endowment fund is not segregated but is commingled with FASEB's other investments.

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**VIII. Gift Designations** – Any gift may be made in honor of or in memory of the donor or anyone they may wish to designate.

- A. Notice of the person honored or memorialized must be provided in writing at the time the gift is made.
- B. If the person honored is alive at the time of the gift, FASEB shall seek their consent for the gift to be made in their honor.

**IX. Donor Privacy**

- A. FASEB may publish the names of donors and the amount of their gifts, except for donors who request anonymity at the time of the gift. FASEB otherwise does not publish donor information, nor will FASEB sell or rent to, or trade donor information with, third parties.
- B. Donors are welcome to request and receive a complete copy of their records.
- C. Only authorized FASEB staff, authorized members of the Federation Board, and the Gift Acceptance Advisory Council are permitted to view donor files.
- D. Donor files will be stored electronically with any physical files maintained with other secured financial records.
- E. The above restrictions are subject to any legal mandate that FASEB disclose donor information, such as State or Federal reporting requirements.