



**Goodwill Industries of Northern Michigan
G.W. Homeless Services of Northern Michigan\
Gift Acceptance Policy**

Goodwill Industries of Northern Michigan and G.W. Homeless Services of Northern Michigan, (hereafter referred to simply as Goodwill), private, nonprofit 501(c)(3) organizations established under the laws of the State of Michigan, encourage the acceptance of gifts to Goodwill that will help Goodwill advance its mission.

I. Purpose of Gift Acceptance Policy

These policies and guidelines govern the acceptance of gifts and provide guidance to prospective donors and their advisors when making gifts to Goodwill. The provisions of these policies shall apply to all gifts received by Goodwill for any of its programs or services.

II. Use of Legal Counsel

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

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Gifts involving contracts, such as bargain sales, or other documents requiring Goodwill to assume an obligation.
- c. Transactions with potential conflict of interest that may invoke IRS sanctions
- d. Gifts of real property, charitable remainder or lead trusts, or charitable gift annuities.
- e. Other instances deemed appropriate by the Gift Acceptance Committee.

III. Gift Acceptance Procedure

In general, all inquiries to Goodwill Industries regarding donations cash, real property, securities or other items outlined in this policy should be directed to fund development staff or the Executive Director.

The exception to this guideline is the donation of cars, trucks, vans, motorcycles, RV's, and boats and snowmobiles on trailers, for use by the Workers on Wheels (WOW) program. Inquiries regarding these donations should be directed to WOW staff.

The Executive Director is authorized to accept gifts on behalf of Goodwill Industries and its affiliates, except where noted in this policy.

IV. The Gift Acceptance Committee

The gift acceptance committee is responsible for properly screening and accepting gifts and making recommendations to the Board of Directors on gift acceptance policies when appropriate. The fund development committee shall serve as the gift acceptance committee utilizing appropriate legal council when necessary

V. Donor Conflict of Interest

Goodwill urges donors to seek the assistance of personal legal and/or financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Goodwill complies with the Association of Fundraising Professionals Code of Ethical Practices and Standards and the Donor Bill of Rights.

VI. Restrictions on Gifts

Goodwill will accept unrestricted gifts, and gifts for specific programs and purposes, provided such gifts are not inconsistent with its stated mission, purposes or priorities. Goodwill does not accept gifts that are too restrictive in purpose, including those that violate the terms of the corporate charter; gifts that are too difficult to administer; or gifts that are for purposes outside the mission of Goodwill. Goodwill also reserves the right to refuse any gift if there is reason to question the legal source of the gift.

VII. Appraisals

IRS rules regarding appraisals vary by amount of the gift and the type of property. In general, if the claimed deduction for an item is \$5,000 or more, a qualified appraisal is required to substantiate the deduction. *See IRS publication 561 for more detail.* Goodwill requires appraisals for all gifts of real property, regardless of the claimed deduction. See below for more detail.

VIII. Types of Gifts

The following gifts are acceptable under the conditions and guidelines outlined below.

A. Cash

Cash gifts can take the form of currency, coin, checks, money orders, or bank drafts. Checks should be made payable to Goodwill Industries or Goodwill Inn stating the donor's designation of the gift, if any. All gifts should be delivered by mail or in person to Goodwill's offices at 2279 S. Airport Rd W, Traverse City, MI 49684.

B. Securities

Goodwill accepts both publicly traded and closely held securities. Publicly traded securities will generally be sold as soon as possible upon receipt. Funds will be directed to the appropriate program less any transaction costs such as commission, fees, etc. The gift date will be recorded as the day the securities are officially transferred to Goodwill either directly to a Goodwill brokerage account or in person with signed certificates or stock power attached.

Closely held securities, which include debt and equity positions in non-publicly traded companies, interests in limited liability partnerships (LLP) and limited liability corporations (LLC) or other ownership forms, may be accepted after consultation with appropriate counsel. Prior to acceptance, Goodwill will review these gifts to determine:

- a. There are no restrictions on the security that would prevent Goodwill from converting the asset to cash in a timely manner
- b. The security is marketable, and
- c. The security will not generate any undesirable tax consequences for Goodwill.

No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

C. Real Estate

The following policies regarding the acceptance of real estate apply to both outright gifts of property and the gifts of property via a trust or other planned giving instrument. Our ability to accept gifts of real property is influenced by a variety of factors including marketability of the property, any carrying costs (taxes, mortgages, etc.) and any risks Goodwill may incur as a result of accepting the property.

Gifts of real property may include developed property, undeveloped property, residences, commercial property, mobile or modular homes, or gifts subject to a prior life interest. Prior to acceptance:

1. The Donor must provide Goodwill Industries with the information requested on Real Estate Gift Acceptance Checklist. This information includes, but is not limited to address, parcel number, description, title history, current survey, any existing leases, taxes, carrying costs, etc.
2. The Donor will provide information regarding the value of the property and current market conditions as outlined in the Checklist. The IRS requires a qualified appraisal for donations valued at \$5,000 or more and the appraisal must be conducted within 60 days of the donation. Goodwill requires appraisals for all donations of real property.
3. A Goodwill staff person or designated representative will undertake an initial visual inspection of the property to determine condition.
4. The Donor will provide a written statement to the effect that he/she is aware of any actual or potential environmental problems within the area where the property is

located, or if aware, the nature and scope of any such problems. Specific problems may include hazardous waste, underground storage tanks, excessive noise, air pollution, pollution of surface or ground water on the site or flowing through the site, regulated wetlands, endangered species, or any other known or potential problems of notice of violations.

5. In order to protect Goodwill Industries from the high risk associated with accepting environmentally contaminated property, all proposed gifts of real property, including gifts from estates, will be subject to an environmental audit performed at the donor's expense. Goodwill may consider an existing assessment if it has been conducted within the past six months and is related to previously existing contamination, not ongoing contamination. All prospective donors should be informed of this requirement as early in the process as possible, as discovery of a potential problem may have an economic impact on them, whether Goodwill accepts the gift or not.
6. Real property will generally only be accepted as a gift if Goodwill is free to do whatever it chooses with the property. In most cases, Goodwill will attempt to dispose of the property within one year. Goodwill reserves the right to sell the donated property for whatever it deems to be an appropriate value.
7. Prior to acceptance of the gift, Goodwill and the donor will agree in writing with respect to all fees and expenses associated with the conveyance of the property. Valuation of the property for tax purposes will be determined according to the most current IRS guidelines and regulations.
8. Goodwill may accept gifts of real estate through a charitable remainder or lead trust subject to review by counsel.
9. Goodwill may enter into a bargain real estate sale arrangement subject to the conditions listed above and subject to review by counsel.

Goodwill reserves the right to decline gifts that are part pooled income funds, limited partnerships, time shares or other shared ownership arrangements.

D. Tangible Personal Property

Goodwill accepts gifts of tangible personal property including art, coins, jewelry, equipment, boats, furniture, other collectibles, boats, and vehicles. Goodwill will also accept unusual items such as processed livestock, frequent flyer miles, oil, gas and mineral rights, savings bonds, etc. Goodwill will accept these gifts provided that such property is saleable and the donor agrees that the property can be sold or utilized at Goodwill's sole discretion. Goodwill reserves the right to decline a gift if there are carrying costs or undesirable tax consequences.

E. Bequests

Goodwill accepts and encourages bequests through donor's wills and trusts and other testamentary documents. Such bequests will not be recorded as gifts to Goodwill until the bequest becomes irrevocable.

F. Life Insurance, Retirement Plans, Etc.

Goodwill accepts gifts of life insurance provided Goodwill is named as both beneficiary and irrevocable owner of the policy. In this case, the gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the premium payment will be credited as a gift in the year it is made. If the donor elects not to continue to make premium payments, Goodwill may continue to pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its current cash value.

Goodwill accepts proceeds of individual retirement accounts or other retirement investments where Goodwill is named beneficiary of or all or a portion of the account.

G. Charitable Gift Annuities

Subject to the provisions of this policy and upon recommendation by the Gift Acceptance Policy, Goodwill may be a party to a Charitable Gift Annuity with the approval of the Board of Directors.

H. Charitable Remainder and Charitable Lead Trusts

Goodwill may accept designation as remainder beneficiary of a charitable remainder or lead trust with the approval of the Gift Acceptance Committee. Goodwill will not accept appointment as trustee of a charitable remainder trust.

I. Oil, Gas, Mineral Rights

Subject to the provisions of this policy and upon recommendation by the Gift Acceptance Policy, Goodwill may accept oil and gas property interests with the approval of the Board of Directors. Criteria for acceptance of oil, gas and mineral interests 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)
- The property should not have extensive liabilities or encumbrances that make receipt of the gift inappropriate for Goodwill.
- A working interest is rarely accepted. A working interest may only be accepted where there is a plan to minimize potential liability and tax consequences.
- The property is subject to the same environmental evaluation process as for other gifts of real estate. See Section C.

J. Miscellaneous Gift Acceptance Provisions

1. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to Goodwill.
2. Goodwill will record a gift received at the valuation for gift purposes on the date the gift is received.
3. Goodwill is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by Goodwill for any item valued at \$5,000 or more. Goodwill must file this form within 125 days of the date of sale or disposition of the asset.
4. Acknowledgement of all gifts made to Goodwill is done in compliance with current IRS requirements as outlined in IRS Publications 526 and 561.

Related Documents

- Association of Fundraising Professionals Code of Ethical Practices and Standards
- Donor Bill of Rights.
- IRS Publication 561: Determining Value of Donated Property
- IRS Publication 526: Charitable Contributions

For more information or other gift opportunities please contact the Development Department at 231-995-7719 or Email: funddevelopment@goodwillnmi.org