

TEMPLE SINAI GIFT POLICIES

Temple Sinai Board Approval Date March 16, 2020

And God spoke to Moses, saying: Tell the Israelite people to bring me gifts:
You shall accept these gifts for me from every person whose heart so moves
him . . .for they shall make me a sanctuary that I may dwell among them.
Exodus 25:1-8

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I. Purpose

The purpose of Temple Sinai's Gift Policy is to establish gift policies and specific forms (Pledge Form, Memorandum of Understanding, Endowment document) for Temple Sinai that define what is an acceptable gift, how a gift and pledge are to be made through a memorandum of understanding, what the difference is between "annual gifts" and "permanent endowment gifts," as well as other forms of gifts. These gift policies provide qualitative and quantitative guidelines to assess gifts made to Temple Sinai (also known as Congregation). These guidelines will serve to prevent misunderstandings between donors and the Congregation as well as among volunteers and staff, and help to ensure the optimal use and accountability of gift income to Temple Sinai.

The purpose of this document is to provide for:

- (1) Complete and accurate reporting of gifts and pledges
- (2) Compliance with IRS regulations and acceptable business practices
- (3) Guidance for persons involved in gift solicitation, recording, and management for Temple Sinai
- (4) Equity and fairness for the purpose of donor gift recognition and stewardship

It is the responsibility of the Temple Sinai Board of Trustees (hereinafter the "Board") to establish gift policies and guidelines for the Congregation and all its subsidiaries. These policies and guidelines are designed to ensure that gifts are appropriate to the mission and needs of the Congregation, and impose no undue financial burdens on the Congregation. Further, if gifts are restricted in use, these policies assure that terms are written to establish the donors' desired use of the funds in reasonably broad and flexible terms to maximize their usefulness to the Congregation. In addition, the policies include language that permits the Congregation to apply the gift to a reasonably related purpose in the event that the designated purpose is no longer practical, necessary, or able to exist, or if certain donor commitments as described below are unfulfilled.

These policies apply to all components of Temple Sinai, including but not limited to, the Religious School, Pre-School, Youth Programs, auxiliaries, Clergy, Administrators, and Board committees that operate under the Congregation's policies and any Federal guidelines.

II. Authorizations

- 1) The Board of Temple Sinai has full authority over policies and procedures for all solicitation activities and acceptance of all gifts to Temple Sinai respectively. With certain exceptions, such authority may be delegated to the President of the Board (hereinafter the "President"), the Rabbi and the Chair of the Development Committee (if the Board should appoint such a person) or the Development Committee, or a hired professional consultant.
- 2) Working in concert with the Board, the President and others subsequently named are responsible for the development of fund-raising policies for Board approval and subsequent

implementation of Board-approved policies. The President will refer questions and/or disputes regarding specific capital and major gifts and the interpretation of Congregation gift policies to the Board.

- 3) Every effort will be made to work with the various components, committees, auxiliaries, administration and clergy of the Congregation to achieve their fund-raising needs. All fund-raising initiatives must be submitted in advance of any solicitation of funds, services or goods, to the President who in consultation with the Development Committee, will review the request with regard to purpose, priority, and timing.
- 4) To ensure the optimal consideration for all solicitations of tangible and intangible gifts (e.g. funds, goods, services and etcetera), and to minimize the likelihood of multiple "asks" to one individual, foundation, corporation, federation, association, or other donative entity, all intended approaches need to be submitted in advance to the President, who in consultation with the Development Committee will review and if required will provide authorization when deemed appropriate for such requests.
- 5) Gift records at Temple Sinai are confidential. Information regarding donor gift histories, lists of donors, and all related materials, are divulged only with the authorization of the Board or President or their designated representatives, and only with the permission of the donor. Requests for donor information from a Campaign Chair or Rabbi may be exempt from this formal approval process.
- 6) The President with assistance from the Development Committee and/or a hired professional consultant is responsible for:
 - Coordinating and controlling the solicitation, receipt, acknowledgement and documentation of all gifts to Temple Sinai. An acknowledgement of gifts will be mailed out within three business days from the business office.
 - Overseeing all pledged gifts, gift receipts and donor recognition in accordance with gift policies.
 - Implementing and enforcing the gift policies of Temple Sinai as approved by the Board.
- 7) The Temple Administrator is responsible for receiving, documenting and transmitting all cash and non-cash gifts for timely deposit and safeguarding of gift receipts. The Temple Administrator, President, and the Development Committee are responsible for working together to manage communications regarding cash and non-cash gifts and the best implementation process for our donors and Temple Sinai.

III. Gift Documentation Policies

Unless otherwise specified, all gifts in excess of \$18.00 to Temple Sinai require written documentation before being counted towards Capital, Endowment, or Annual fundraising goals. For outright gifts or multi-year pledges, documentation will usually be a signed and dated pledge agreement. A copy of the “Pledge Agreement Form/Memorandum of Understanding” to be used to memorialize a gift to Temple Sinai is attached hereto as Appendix A.

Other acceptable documentation includes:

- Deeds or other forms of conveyance or assignment
- Insurance policies with conveyance or assignment
- Completed wills in which Temple Sinai is named as beneficiary
- Revocable trust agreements in which Temple Sinai is named as beneficiary
- Irrevocable trust agreements in which Temple Sinai is named as beneficiary
- Any financial asset (such as retirement plan or investment account) in which Temple Sinai is named as beneficiary

A. Types of Gifts

Gifts may be made and received in the following ways:

- (1) Cash
- (2) Multi-Year Pledges
- (3) Marketable Securities
- (4) Closely Held Securities
- (5) Real Estate
- (6) Tangible Personal Property
- (7) Gifts of Insurance
- (8) Corporate Matching Gifts
- (9) Bequests and Distributions from a Trust Agreement

Each type of gift and its valuation is further described below:

(1) Cash

Gifts by cash, check or credit card will be credited at full face value, minus the value of any goods or services rendered.

(2) Multi-Year Pledges

Multi-year pledges for capital campaigns and other gifts should be made over no more than a five (5) year term; a three (3) year term is preferable. Exceptions for very large or unusual gifts may be made by the President in consultation with the Board and the Development Committee.

The President or the President's designee must review multi-year pledges for each year during the term of the pledge and determine whether the pledge is fulfilled for each year. In the event a pledge is not fulfilled either in a year during the term of the pledge or at the completion of the term, the President, in consultation with the Development Committee and the Board, shall address the unfulfilled pledge with the donor and agree on how to treat the pledge thereafter. Any updated agreement must be memorialized.

Specifically in regard to multi-year endowed gifts that do not fulfill the pledged amount, the gift may be converted by the President, in consultation with the Board, to Temple's unrestricted endowment fund with the understanding that the funds will be used in a manner which satisfies the donor's intent as reasonably as possible. No further consultation with the donor is required to make this conversion other than notice to the donor or donor's successors (although the President, at his or her sole discretion, may elect to have further communications with the donor (or the donor's successors) in connection with satisfying the endowed gift). The possibility of converting an unfulfilled multi-year endowed gift in such a manner will be clearly set out in the agreement (or memorandum of understanding) between Temple and the donor.

(3) Marketable Securities

Marketable securities will be immediately sold upon transfer of ownership and will be valued at the average of the high and low market value on the date the donor relinquishes control of the assets to Temple Sinai. In case of mailed certificates, the postmark determines the gift date.

(4) Closely Held Securities

Securities not traded on an exchange or over-the-counter will not be accepted and valued without approval of the Board (with professional advice if deemed necessary).

(5) Real Estate

Acceptance of a gift of real property, whether contributed outright or through a planned gift, is subject to review on a case-by-case basis by the Board. It is Temple Sinai's policy to sell gifts of real estate as expeditiously as possible.

The due diligence procedures for accepting gifts of real property are the responsibility of the Board and the President along with the help of, if necessary, the Development Committee and/or a professional consultant. At a minimum, they should determine:

- (a) the legal title-holder of the property;
- (b) the address and general description of the property;
- (c) the amount of any mortgage;
- (d) whether there is any other lien or debt on the property;

- (e) the estimated annual income and expenses (e.g., taxes, insurance, association dues, etc.) associated with the property;
- (f) whether there are any existing restrictions, limitations, encumbrances and/or easements with respect to the property and the title;
- (g) the marketability of the property;
- (h) any other known or potential liabilities that are related to the property; and
- (i) if the gift is being made through a planned gift, whether it is an appropriate asset to use for that purpose.

The fair market value of the property must be determined by independent appraisal obtained and paid for by the donor and may be appraised separately by the Congregation at its expense. Property must have a clear and marketable title. Title to property contaminated with hazardous waste will not be accepted. Donor is responsible for payment of realtor commissions, title work, closing costs, legal fees, taxes, insurance, and environmental assessments.

(6) Tangible Personal Property

It is Temple Sinai's policy to sell gifts of tangible personal property as expeditiously as possible if the Board so determines. Gifts of tangible personal property require an independent appraisal of fair market value obtained by the donor. Any restriction sought by the donor on the sale, maintenance, administration or display of items contributed is subject to the acceptance of the Board and the President. Gifts of artwork, books, manuscripts or other creative works to the Congregation shall receive the input of the Congregation's appropriate committee where applicable. The Congregation reserves the right to sell or dispose of tangible personal property gifts at any time unless otherwise agreed to with the donor. At any time during the display period of a piece of tangible personal property if the item in reference is no longer in need/ desire of being displayed, all attempts to return the item to the donor will be made. If unable to return the item within a reasonable amount of time, the item will be sold or disposed of properly by the Congregation as determined by the Board.

(7) Gifts of Insurance

Before an insurance policy can be recorded as a gift, the policy must be gifted to the Congregation. Temple Sinai must be an assigned irrevocable beneficiary.

The current net cash surrender value of the policy may be credited toward fund raising goals and the Congregation shall have the option of surrendering the policy at any time for the then net cash surrender value. If the donor pays further premiums on the policy, the Congregation should include the entire amount of the premium payments in its gift totals. If the Congregation elects to pay the premiums, the congregation will consider those payments as operating expenditures and not report the related increases in the cash surrender value as gifts.

If a donor pays future premiums on a policy with no cash surrender values, only the future premiums will be recorded as gift receipts.

Regardless of whether the donor or the Congregation pays the premiums on a policy it owns, the difference between the cash value and the insurance company's settlement at the donor's death should not be reported as a gift, but as a gain on the disposition of assets.

The due diligence procedures for accepting gifts of insurance are the responsibility of the Board and the President along with the help of the Development Committee or a professional consultant if necessary. The insurance gift must include at a minimum:

- (a) name of the policy owner and beneficiary;
- (b) type of policy;
- (c) name and birth date of the insured;
- (d) name of insurer and current agent for the policy;
- (e) a copy of the policy;
- (f) premium dates and amounts;
- (g) current cash surrender value
- (h) the amount of debt against the policy
- (i) use of policy dividends;
- (j) whether the death benefit is guaranteed;
- (k) donor's expectations regarding the Congregation's retention of the policy;
- (l) evaluation of the policy as an investment;
- (m) the donor's intentions regarding future gifts from the donor to pay future premiums; and
- (n) if the gift is being made through a planned gift, whether it is an appropriate asset to use for that purpose.

In those cases where Temple Sinai receives the proceeds of an insurance policy in which it is named beneficiary but not the owner, the full amount received will be reported as a gift on the date the proceeds are delivered.

If a life insurance policy is accepted, a review of the policy should be conducted once a year thereafter by the President or the President's designee.

(8) Corporate Matching Gifts

Gifts received in cash from organizations or corporations to match gifts of cash or securities by individuals associated with that organization or corporation may be credited to the individual donor's gift record and allocated to the same purpose as the donor's gift, unless corporate rules specify otherwise, in which case the donor will be advised of the mandated allocation.

(9) Bequests and Distributions from Trust Agreements

Distributions from estates and trusts received by Temple Sinai will be credited toward the purposes set forth by the relevant documents. Unrestricted gifts through estates and trusts,

absent special circumstances as determined by the Board, will be invested as follows: 80% into the unrestricted portion of the Endowment Fund, 10% into a Surplus Reserve Fund designated by the Board, and 10% into the general fund, except for bequests or distributions from a trust of under \$10,000, which will go into the general fund.

B. Valuation of Gifts

Gifts may be valued in any of the following ways:

- (1) The value of the gift for tax purposes
- (2) The value of the gift for counting toward Temple Sinai fundraising goals

The valuation of a non-monetary gift for tax purposes is the responsibility of the donor. Temple Sinai's receipt for gifts of cash or marketable publicly traded securities is provided to donors to establish the value of a gift for tax purposes. In all other cases, gift value will be determined by independent appraisal to be obtained and paid for by the donor with a copy provided to Temple Sinai.

C. Gift Recognition Opportunities

Gift recognition opportunities will be provided for select authorized capital, endowment or other initiatives that have been approved by the Board. Examples of gift recognition opportunities may include naming rooms or improvements, and gifts of needed tangible personal property.

The Board in concert with the President is authorized to present and revise, a list of gift opportunities with a suggested dollar contribution that would be required for recognition purposes. All initiatives concerning a gift recognition opportunity may only be offered to the Board for approval upon consultation with the President and the Development Committee. Gift recognition opportunities of a physical item may be allowed during specified campaigns, designated fundraising events or other purposes, all which will be approved by the Board.

In the event the actual value of an item (determined in accordance with subparagraph B above) for which there is a gift recognition opportunity is below \$25,000, then the donor must give a value of 1.5 times the actual value in order for the gift to be eligible for recognition. For example, if a gift recognition opportunity was to provide a gift to construct a patio and the patio was valued at \$10,000, a donor would have to give \$15,000 in order to have the gift recognized.

All gift recognition rights, from the date of this policy and beyond, will be subject to review with the donor or remaining family representatives and will expire after twenty-five (25) years unless otherwise agreed upon. All gifts for which a recognition designation already exists is grandfathered from the 25-year limitation unless otherwise agreed to by the original donor.

Gift recognition can be offered to our donors for gifts in excess of \$25,000 in a variety of ways to honor their gift as determined by the Board in consultation with the donor.

D. Named Endowed or Named Funds

The Board may establish new named endowed funds or new named current use funds that promote and enhance the mission and vision of the Congregation. Those funds must meet the minimum funding requirements of the Congregation as approved by the Board which is \$25,000. In the event a new fund is initiated by a donor (and subject to the Board's approval), the donor must complete the Named Endowed or Named Current Use Fund Form found at Appendix B of the Temple Sinai Gift Policy. Notwithstanding the ability of a donor to establish a new fund, it is the stated preference of the Board that gifts be made to existing funds if possible.

E. Policy Review

This Temple Sinai Gift Acceptance policy will be reviewed and, if necessary, updated every five (5) years by the Board, the President and the Development Committee. The Board must authorize final approval of any changes.

IV. Definitions

Bequest

A bequest is defined as a gift by will or trust of personal or real property. (Because a will is revocable during the donor's lifetime, a bequest provision in a will shall not normally be recorded as a gift until the bequest is distributed; nevertheless, this provision will be viewed as an act of good will for the purpose of gift recognition as defined above.)

Current Use Fund

A current use fund, such as the general fund, is a fund for which both principal and interest is available to be used for the stated purpose of the fund at any time as determined by the Board. It is contrasted with an "Endowment" or "permanent" fund. Gifts may be made to an existing current use fund, or a donor may establish a new current use fund by completing the Named Endowed or Named Current Use Fund Form found at Appendix B of the Temple Sinai Gift Policy.

Designation Pending

A term used to describe a gift that is held in a temporary fund while discussions continue with the donor to determine the purpose for which the gift may be used. Designation Pending may also be used to hold a gift prior to the decision as to usage. After a length of time determined by the Board, a gift in Designation Pending may revert to either the general fund or general endowment unless specific arrangements have been made with the donor.

Development Committee

The Development Committee, pursuant to the Temple Sinai Bylaws, is chaired by the Vice President of Development and Fundraising, and is responsible to supervise, direct and participate as needed in activities related to the solicitation of bequests, funds, and other gifts for Temple's endowment fund and other fundraising goals pursuant to this policy. Any reference herein to this Committee shall automatically update in the event said Bylaws are amended and the name of the Development Committee is changed or an ad hoc committee serving in substantially the same capacity as the Development Committee is appointed by the President.

Endowment

A permanent fund established in response to an irrevocable contribution of assets to Temple Sinai. The fund principal is invested "in perpetuity" and either all or a portion of the earnings, based on the financial needs as determined by the Board, is available for support of Congregation programs or projects. Endowments may take several forms:

- (1) Unrestricted endowment: a permanent fund from which earnings may be applied at the discretion of the Congregation and the Board.
- (2) Restricted endowment: a permanent fund from which earnings may be applied only for a specific purpose such as salaries or scholarships for youth as set out in the Pledge Agreement/Memorandum of Understanding.
- (3) Endowment Fund means either a new Named Endowed Fund established pursuant to Section III(D), the purpose and name of which is specified by the donor; or, for all other gifts to endowment funds, either the Temple Sinai Endowment Fund held by the Vermont Community Foundation or a new endowment fund to be established by the Board, as the Board may determine in consultation with the Development Committee.

Gift

A gift is defined as a voluntary, irrevocable transfer of cash or other assets from an individual or private organization to Temple Sinai without consideration of compensation at the time of transfer or any time in the future.

- (1) Unrestricted gift: an unrestricted gift is made with no conditions imposed by the donor and may be used for the general purposes of Temple Sinai as determined by the Board.
- (2) Restricted gift: a gift made with conditions imposed by the donor; such a gift may be for current operations, endowment or capital use. Certain specific conditions may require that Temple Sinai decline a restricted gift.
- (3) Discretionary gift: a gift made to Temple Sinai to be used at "the discretion" of a specified individual such as a member of the clergy. This is counted as an unrestricted gift to Temple Sinai. Such gifts will not be counted towards other unrestricted fundraising such as the Annual or High Holiday Appeal.

- (4) Gift-in-kind: a gift-in-kind is an irrevocable non-cash contribution of tangible property. It may consist of, but not limited to, equipment, art, books, collectibles, antiques, or other tangible property.

Gift Recognition

The process in which Temple Sinai determines how gifts are to be recognized in order to honor a specific donor, individual or family.

Grant

A grant is a voluntary transfer of assets or awards to Temple Sinai from a corporation, foundation, or association for specific instruction, research, construction, equipment, or public service purpose.

Matching Gift

Corporations usually provide matching gifts. They are most frequently dollar-for-dollar, but may be other ratios that match an employee's gift to a nonprofit organization. Matching gifts may be counted toward or used for the same purpose as the matched gift within the fiscal year in which the individual's qualifying gift is received.

Planned Gift

A planned or deferred gift is a commitment established legally during the donor's lifetime, but whose principal benefits usually do not accrue to the charitable recipient until some future time. Annuities, gifts of insurance, trusts, and commitments through estate plans are all usually referred to as planned gifts. The Board will encourage prospective donors to pursue such planned gifts as charitable remainder trusts and charitable annuity trusts through their professional advisors as part of their estate plans.

Pledge Agreement/Memorandum of Understanding

A pledge agreement or memorandum of understanding is a written statement of an intention to make a gift or grant to Temple Sinai signed by the donor or his/her authorized agent; or, a written letter of agreement to make a gift or grant, signed by a Temple Sinai representative, a copy of which has been provided to the donor and a copy of which is on file in Temple's Business Office. In absence of such a written pledge, the Congregation may not include this gift in any official record of a given campaign or project and the gift may not be evidenced by any formal recognition for such campaign or project. A copy of the "Pledge Agreement Form/Memorandum of Understanding" is attached hereto as Appendix A. For new funds, a "New Named Endowed or Named Current Use Funds Form" is attached hereto as Appendix B.

Surplus Reserve Funds

A surplus reserve fund is a current use fund specifically designated by the Board for a specific purpose and that is used solely at the discretion of the Board. Examples of a surplus reserve fund include the “Security Fund” which accumulates funds to be used for the specific purpose of improving Temple security or the “Building Fund” which accumulates funds for the specific purpose of improving the building and grounds.