

## **FUNDRAISING AND GIFT ACCEPTANCE POLICY**

The Board of Directors of the International Rett Syndrome Foundation (IRSF) establishes this Fundraising and Gift Acceptance Policy to govern the fundraising and acceptance of gifts for IRSF. This policy will provide guidelines to Board Members, employees and any other volunteers or representatives who may be involved in the solicitation of funds or the acceptance of gifts on behalf of IRSF.

### **Primary Objectives**

Any fundraising activity shall be conducted to the highest ethical standards.

The costs of fundraising should be reasonable over time. On average over a five year period, the Foundation should realize fundraising revenue that is at least three times the amount spent on conducting them.

### **Ethical Considerations**

All solicitations for funds by IRSF employees, volunteers or representatives shall be free from any undue influence or excessive pressure on any potential donor. Any solicitation and promotional materials shall be accurate and truthful and shall correctly identify IRSF's mission, accomplishments, funding sources, expenditures and the intended use of funds solicited.

No employee or volunteer solicitor may make any promise to a donor nor expect any favorable treatment from a donor as a result of a solicitation or contribution.

The terms of corporate sponsorship of events shall be governed by the National Health Council guidelines.

Employees or volunteers shall advise donors to seek the advice of professional tax or legal advisers as necessary. The tax ramifications, value or specific deductibility of complex gifts should not be discussed with potential donors by employees or volunteers. Questions about complex gifts should be referred to the Executive Director.

IRSF will not share any donations received with any other organization.

Benefits provided to donors must comply with current IRS regulations regarding tax deductibility. All benefits that exceed the IRS definition of "insubstantial" must be reported to the donor, including notification of the value of the benefit received.

All decision-making with regard to ethical choices shall rest with the Board of Directors.

**Fundraising Personnel** IRSF may hire professional fundraisers, at the discretion of the Board. Fundraising personnel, including employees and independent consultants shall not be compensated based on a percentage of the amount raised or on any other commission formula. Any paid professional fundraising consultants used by IRSF shall be properly registered in all states requiring registration. IRSF will exercise control over any staff, volunteers, consultants, contractors, other organizations, or businesses that are known to be soliciting contributions on behalf of the Foundation.

**Outcomes and Measures** Individual fundraising events and the overall fundraising goals and outcomes shall be evaluated by the Board of Directors on an annual basis. The overall goal of IRSF is to raise funds at a 3:1 ratio to fundraising costs.

**Gift Acceptance** The following are guidelines for the acceptance of donations to IRSF.

### **Types of Assets**

**Cash** Gifts in the form of cash and checks should be accepted regardless of the amount. All cash or checks shall be considered unrestricted unless otherwise designated.

**Publicly Traded Securities** Publicly traded securities may be accepted. Unless otherwise directed by the Investment Committee or the Board of Directors, all securities will be liquidated for cash as soon as practicable. No employee or volunteer of IRSF shall commit to any donor that a particular security will be held. IRSF will have available corporate resolutions, stock powers, and other relevant documents for transferring stock.

**Other Assets** All proposed donations of closely held securities, limited partnerships, real estate, tangible personal property, or other unusual assets shall be considered by the Investment Committee on a case-by case basis. The Committee shall consider:

1. Estimated fair market value and marketability of the asset;
2. Costs to administer, maintain, insure, secure and sell asset;
3. Any restrictions or time limits on IRSF's right to sell;
4. Potential liability or tax implications from ownership;
5. Potential conflicts with the mission of IRSF or on non-profit status;
6. Licensing requirements, legal ramifications or administrative burden;
7. Any other relevant factor;

IRSF may obtain an appraisal of the asset, prior to decision to accept. In the case of real estate, a visual inspection and an environmental assessment may be conducted by IRSF prior to a decision on acceptance. In the case of a closely held security or limited partnership, no commitment for repurchase shall be made prior to completion of the gift of securities. In no

case will IRSF knowingly cooperate in the reporting or crediting of inflated gift values. The Board of Directors shall have final approval/refusal of all such gifts.

IRSF has the absolute right of refusal of any gift of any type.

**Gift Vehicles** The following is a list of acceptable gifting methods.

Outright, with or without restriction. Restricted gifts must be accompanied by a written intention by the donor to make that gift and a statement defining the restriction, and said restriction must be approved by the Board of Directors prior to acceptance.

**Gifts by Will or Trust or other Deferred Gifts**

1. Charitable Remainder Trusts or Charitable Lead Trusts, so long as they provide an interest in specific assets for IRSF.
2. IRSF shall not act as personal representative, executor or trustee for a donor's estate or trust.
3. Charitable Gift Annuities may be established with cash or marketable securities, for one or two lives of persons age 50 or over. The minimum initial contribution is \$10,000.00. The computed gift to IRSF must exceed 10% of the amount transferred for the annuity. This annuity may not be administered by IRSF.
4. IRSF may be the named beneficiary of a life insurance policy.

Persons acting on behalf of IRSF shall in all cases encourage the donor to seek the advice of tax or legal professionals of donor's choice prior to gift planning.

Only the Executive Director and the Board of Directors are authorized to negotiate deferred gift agreements.

**Gift Recognition and Acknowledgement**

The date of the gift is the date the donor formally releases control of the asset by the execution of stock powers, or other transfer or title, or in the case of cash or check, the date of delivery or the date of the postmark. The value of the gift of securities will be the closing price on the date of transfer.

IRSF staff will acknowledge the gifts and will inform donors of their responsibility to substantiate any value claimed for gifts whose value is not readily ascertainable.

Any gift received shall be processed by IRSF within 30 days of receipt, including acknowledgement according to IRS regulations. An extension of this time period may be made for special events handled by local chairpersons.

Internal determination of value for fundraising records will be made by the Finance Committee of IRSF.

With regard to "in-kind" non-cash donations, IRSF will inform the donor of the requirement to file IRS form 8283 and that IRSF is obligated to file IRS form 8282 if the gift is sold within 2 years. The Finance Committee will manage IRS filing requirements.

**Confidentiality and Donor Lists** Donor information relating to gifts, estate planning, or the nature and value of assets shall be kept strictly confidential by IRSF unless otherwise authorized by the donor to use selected information for purposes of referral, example or testimonial. Those with access to donor information include: Board of Directors, Fundraising Staff, Investment and Finance Committee, legal counsel, auditors, and regulators. No donor information shall be sold, traded or used for any other purpose.

IRSF shall provide donors the opportunity to state that they prefer to remain anonymous and that their name, the amount of their gift or other information not be publicly released.

**Removal from Solicitation List** IRSF shall honor any request by a donor or potential donor to curtail repeated mailings or telephone solicitations.

**Local Special Events and Fundraisers** From time to time, IRSF volunteers in various localities propose new special fundraising events. IRSF shall review and approve or deny any new proposed special events upon receipt of an event application. New special events shall be evaluated by the Foundation staff for:

1. Fundraising Potential/Profitability
2. Demands on staff time
3. Availability of volunteers
4. Costs of event
5. Conflict with any other existing event

The Foundation Staff shall report its findings to the Board of Directors for final approval of each proposed event.

**Process of Approval** An event application must be submitted by the local chairperson to IRSF, including an estimate of potential revenue and other details. Before an application can be approved an estimate of expenses with supporting details must be determined. Any expenses made a part of the application may be considered for pre-approval.

Pre-event costs Any special event which requires more than \$2,500.00 in pre-event costs shall be closely scrutinized by the Board and if approved will be subject to additional administrative requirements.

Use of IRSF logo and name The use of the IRSF logo and name will be granted as part of the approval of the application. Whenever possible, a sample of all items or media using the logo or name shall be provided to IRSF prior to approval of the application.

Corporate Sponsorship Any corporate sponsorship of a local event shall comply with the National Health Council guidelines for corporate sponsorship.

Confidentiality Volunteers are held to the same confidentiality standards as an employee of IRSF. All donor files and information obtained during a local special event are the property of IRSF, and shall be returned to IRSF at the completion of such event. No volunteer may use any donor information for his or her own personal use.

Additional Guidelines A complete list of the guidelines for a local special event is attached as Exhibit 1. These guidelines may be revised at the Board's discretion.

Review Each approved and existing special event shall be evaluated by the Foundation staff as soon as possible after completion to determine if repetition of the event is desirable. The staff shall consider any relevant information in recommending/denying the event. The Board of Directors may decide that a particular type of event is approved or denied, or may continue to evaluate events on a case-by-case basis.

The goal of all IRSF special events is that the net revenue realized will be 3 times the cost of the event.

Revision Recommendations for any revision or modification to this policy may be made by the IRSF staff to the Board of Directors for their approval. The Board with or without recommendation may make changes to this policy at any time.