



## **GIFT ACCEPTANCE POLICY**

### **The George W. Bush Foundation**

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The George W. Bush Foundation, a 501(c)(3) not for profit organization is organized for the purposes of endowing a Presidential archival depository, to maintain a fund or funds of real or personal property, or both, and to raise, expend, or distribute the whole or any part of the income or principal thereof exclusively for the promotion or operation of the George W. Bush Presidential Library and Museum and the George W. Bush Institute (“The Bush Center”), and to perform any other religious, charitable, scientific, literary, or educational activities that promote the Bush Center. The Corporation pledges all of its assets for use in performing these purposes.

The Foundation’s responsibilities include the management and administration of contributions received on behalf of the Bush Center. The Foundation is responsible for:

- a. The management and administration of all bequests, estates, trust arrangements and endowments in which the Bush Center or the Foundation is the intended beneficiary;
- b. Investment of all funds and securities;
- c. Accounting and reporting for individual gift accounts;
- d. Valuation of gifts for Internal Revenue Service and State reporting purposes;
- e. Compliance with Federal and State laws and regulations regarding said contributions; and
- f. Acceptance, management, and sale of gifts of real and personal property.

The Foundation respects and values that philanthropy is based on voluntary action for the common good and fully supports the Donor Bill of Rights shown as Appendix A to this document.

### **Purpose of Policies and Guidelines**

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The George W. Bush Foundation and its staff encourage and solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the George W. Bush Presidential Center. It is the purpose of these policies and guidelines to govern the acceptance of gifts by the George W. Bush Foundation and to provide guidance to prospective donors (and their advisors) when making gifts designated to the George W. Bush Foundation.

## **Use of Legal Counsel**

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The Foundation shall seek the advice of the Bush Center's legal counsel in matters relating to the acceptance of gifts when appropriate. Review by the Bush Center counsel is recommended for such matters as:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- b. Documents or Gift Agreements naming the Foundation as Trustee.
- c. Gifts involving contracts, such as bargain sales or other documents, requiring the Foundation to assume obligation.
- d. Transactions with potential conflict of interest that may invoke IRS sanctions (including any transaction to which a board member is a party).
- e. Any other instances in which use of counsel is deemed appropriate by Foundation leadership.

## **Conflict of Interest**

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The Foundation does not provide legal advice to prospective donors. It is the sole responsibility of the donor, when appropriate, to seek the assistance of personal legal and financial advisors to guide their decisions in matters relating to their gifts and the resulting tax and estate planning consequences. For its part, the Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the Partnership for Philanthropic Planning (formerly the National Committee on Planned Giving), shown as Appendix B to this document.

## **Gifts Defined**

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A gift is defined as a voluntary transfer of assets from a person or organization to the Foundation where no goods or services are expected, implied or forthcoming for the donor. Gifts usually take the form of cash, securities, real property or personal property. The following criteria generally identify a gift:

- A gift is motivated by charitable intent.
- Gifts are irrevocable transfers of assets. The Foundation is not obliged to return unexpended funds. If for some reason, the Foundation is unable to comply with the donor's intent, or if the gift has been misdirected to the Foundation, a return of the gift may be issued at the Foundation's discretion, less any out-of-pocket expenses.
- Gifts are not generally subject to an exchange of consideration or other contractual duties between the Foundation and the donor, except for certain deferred gifts.
- A period of performance is not specified.

- Donors are not provided formal financial accountings. A general report to the donor stating the utilization or impact of the gift is appropriate, and may be requested by the donor.
- Generally, funds received from individuals, closely held corporations and family foundations will be classified as a gift. Funds received from corporations, corporate foundations and major foundations are classified as gifts unless the grant requires performance or other consideration.

### **Gift Designations**

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A gift may be either unrestricted or restricted to a general area of use that contributes to the benefit of the Bush Center. If the restriction(s) placed on the use of the funds contributed to the Foundation have been rendered illegal, unreasonable or unable to be fulfilled, and if the donor(s) are unavailable to alter the account restriction(s), the Foundation may consult with Board leadership and legal counsel, and may, if necessary seek approval of a court with jurisdiction to remove or modify such restriction(s). If termination of the restriction(s) is sought, the Foundation will seek to use such funds for a purpose that reflects as near as possible the original restriction. Restrictions shall be deemed unreasonable or unable to be fulfilled due to circumstances, including, but not limited to:

- the termination of a Bush Center program;
- a surplus of funds available from other sources to fulfill the designated purpose;
- the insufficiency of the restricted funds to fulfill the designated purpose where no funds from other sources are available to supplement the restricted funds;
- the designated purpose is no longer consistent with the mission of the Bush Center and its individual programs.

### **Gift Acknowledgement**

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The Foundation will acknowledge the receipt of all gifts in writing and in a manner which satisfies the IRS's substantiation requirements set forth in IRS Publication 1771 for the deduction of charitable gifts by individual donors.

### **Deferred Gifts**

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Any planned gift agreement that requires execution by the Foundation shall first be reviewed and approved as to form and substance by the Foundation's legal counsel. It is recommended that prospective donors (or their legal/financial representative), who are considering gifts to the Foundation that will take effect at the donor's death, consult with the Foundation's Vice President of Development regarding how to properly designate the gift and to discuss any trust or bequest restriction that is being considered.

## **Designating the Foundation as Beneficiary**

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The Foundation will accept any proceeds that it receives as a designated beneficiary (or an alternate beneficiary) of a life insurance policy, a deferred annuity contract, an IRA, a defined benefit plan, a 401(K) plan, a defined contribution (profit sharing) plan or other qualified plan, unless the designation imposes restrictions or a trust management, in which case, prior review and approval by the Foundation is required.

## **Bequests**

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Direct, unencumbered bequests shall be accepted by the Foundation if the underlying assets are in conformity with the guidelines set forth in the 'Gifts Defined' section of this Policy. The Foundation reserves the right to reject gifts from the estates or trusts of deceased donors that are not in conformity with the terms of this Policy.

A bequest to the Foundation is made in the donor's will or revocable trust. The donor can designate a specific amount, a percentage or the remainder of an estate to the Foundation.

Donors should be encouraged to notify the Foundation when considering a bequest in order to ensure that the assets left to the Foundation meet the criteria set forth in this Policy.

## **Life Insurance Policies**

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The Foundation will accept gifts of life insurance policies, including whole life, variable and universal life policies, which meet the guidelines specified below. The Foundation can also be named as a beneficiary of a term life insurance policy.

### **Guidelines:**

Gifts of life insurance policies which meet the following criteria may be accepted:

1. The policy is paid-up or, if not paid-up as of the date of the gift:
  - a. has a minimum face value of \$100,000;
  - b. has a payment schedule not to exceed twelve years and which assumes an interest rate not to exceed the average historical dividend rate for the prior three year period (for existing policies an "in force" illustration will be required); and

- c. requires a written pledge of a charitable contribution from the donor to the Foundation in a total amount which equals or exceeds the total premiums due, and the pledge payments scheduled so as to equal or exceed each policy premium payment as that payment becomes due. This written pledge agreement also will acknowledge the absolute ownership by the Foundation of the policy given and acknowledge the resulting right of the Foundation to cash-in the policy and apply the proceeds of the same in accordance with donor intent.
2. The Foundation is designated as the owner and beneficiary of the policy. While the policy will identify the Foundation as the beneficiary, there should also be a written agreement between the donor and the Foundation to transfer ownership of the policy to the Foundation within ninety days of the date the gift agreement is approved and accepted.

### **Retirement Plan Beneficiary Designations**

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Donors and supporters of the Bush Center will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts until such time as the gift is irrevocable.

### **Charitable Remainder Trusts**

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

### **Charitable Lead Trusts**

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

### **Oil, Gas and Mineral Interests**

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The Foundation may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the Foundation's legal counsel.

#### **Guidelines:**

Criteria/guidelines for acceptance of the property shall include:

1. Gifts of surface rights should have a value of \$20,000 or greater.

2. Gifts of oil, gas, and mineral interests should generate at least \$5,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
3. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
4. A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
5. The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.

### **Private Company Shares**

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The Foundation may accept private company shares, when appropriate. Prior to acceptance of private company shares, the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the Foundation's legal counsel.

### **Policy Effective Date**

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The Gift Acceptance Policy was adopted December 21, 2012 (and revised on February 20, 2014) and became effective on that date. All gift agreements shall be governed by the Gift Acceptance Policy in effect at the time the original gift was accepted.

### **Policy Amendment and Review**

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Responsibility for review of the recommended amendments to the Policy shall be that of the Gift Acceptance Committee (GAC) of the Foundation. This Policy shall be reviewed periodically by the GAC. To amend the Policy, a written amendment shall be prepared by the GAC and submitted to the Board of Trustees for review and approval.

Additionally, the President of the Foundation shall have the authority to amend the Policy to comply with the law whenever it becomes inconsistent with the Internal Revenue Code of 1986, as amended, the regulations promulgated thereunder, or other applicable state or federal laws as of the effective date of change. The Foundation President shall provide notification to the GAC explaining the reason for any change to this Policy. The Foundation President shall also submit any changes or amendments for approval at the next meeting of the Development Committee of the Foundation Board.

# A Donor Bill of Rights

*PHILANTHROPY* is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

## I.

*To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.*

## II.

*To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.*

## III.

*To have access to the organization's most recent financial statements.*

## IV.

*To be assured their gifts will be used for the purposes for which they were given.*

## V.

*To receive appropriate acknowledgement and recognition.*

## VI.

*To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.*

## VII.

*To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.*

## VIII.

*To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.*

## IX.

*To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.*

## X.

*To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.*

### DEVELOPED BY

Association of Fundraising Professionals (AFP)  
Association for Healthcare Philanthropy (AHP)  
Council for Advancement and Support of Education (CASE)  
Giving Institute: Leading Consultants to Non-Profits

### ENDORSED BY

(in formation)  
Independent Sector  
National Catholic Development Conference (NCDC)  
National Committee on Planned Giving (NCPG)  
Council for Resource Development (CRD)  
United Way of America



## Model Standards of Practice for the Charitable Gift Planner

### Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

### I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

### II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

### III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

### IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

### V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

### VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

### VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

### VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

### IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

### X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

*Adopted and subscribed to by the National Committee on Planned Giving (now the Partnership for Philanthropic Planning) and the American Council on Gift Annuities, May 7, 1991. Revised April 1999. Reprinted with permission.*