



Gift Acceptance Policies and Guidelines Updated November 19, 2019

Resolve Foundation, a public nonprofit corporation existing under and by virtue of the Illinois General Not For Profit Corporation Act of 1986 (805 ILCS 105-102.25), for the educational and charitable purposes of promoting social awareness and civic engagement of youths in order to drive social change; is recognized by the Internal Revenue Service as a public charity having tax-exempt status under Sections 501(c)(3) of the U.S. Internal Revenue Code. The following policies and guidelines govern acceptance of gifts made to Resolve Foundation for the benefit of any of its programs.

1. Resolve Foundation Mission:

Resolve Foundation's mission is to promote fitness, social awareness and civic engagement of youths as a means of driving social change and securing a just, peaceful, prosperous and sustainable world. Our goal is to bring to bear the strength of modern technology and the untapped potential of our youths in resolving socio-economic problems and accelerating social reforms.

To achieve the mission above, Resolve Foundation seeks to:

- a. coordinate and support fitness programs that promotes a healthy lifestyle of youths
- b. invest in technology, media platforms and programs that educate youths locally and nation-wide relating to civic responsibility, electoral participation, career exploration, character building, leadership development, mentoring and community service
- c. organize or support focused group discussions, opinion polls, research, public awareness campaigns and programs that give voice to youths in public debates regarding chronic social, political, economic or other subjects that are vital for shaping our future
- d. provide academic performance-based financial aids to needy students and to administer grants for youth-driven programs especially in the areas of Science, Technology, Engineering and Mathematics
- e. support youth entrepreneurship programs that are aimed at improving the lives of ordinary people
- f. support research and technology development programs that are designed to achieve rapid and reliable medical diagnoses and error-free prescriptions for health conditions such as adolescent cancer and mental illness.

2. Resolve Foundation Board of Directors

Stewardship of Resolve Foundation resources, including the solicitation, evaluation, acceptance, and management of gifts made to the organization, is essential. Resolve Foundation Board of Directors have a fiduciary duty to carefully evaluate gift solicitation programs and prospective gifts to ensure the financial stability of the organization in a manner that is consistent with, and supports, Resolve Foundation's Bylaws, Policies, Mission, Programs, and Strategic Plans. Resolve Foundation Board of Directors shall, through the President of the Foundation, or designee(s), determine acceptance of all gifts to the Foundation and that the donor's philanthropy is in accord with the stated mission and goals of the Foundation.

3. Purpose of Policies and Guidelines

Resolve Foundation will only accept gifts that further the Foundation's mission and goals and will solicit current and deferred gifts from individuals, corporations, and foundations to support Resolve Foundation programs. These policies and guidelines will govern the acceptance of gifts by Resolve Foundation and provide guidance to prospective donors and their advisors when making gifts to Resolve Foundation. The provisions of these policies shall apply to all gifts accepted by Resolve Foundation for any of its program.

4. Use of Legal Counsel

Resolve Foundation shall, as appropriate, seek the advice of legal counsel in matters relating to acceptance of gifts. Review by counsel is recommended for:

- a. closely-held stock transfers that are subject to restrictions or buy-sell agreements
- b. documents naming Resolve Foundation as Trustee
- c. all gifts involving contracts, such as bargain sales or other documents requiring Resolve Foundation to assume an obligation
- d. all transactions with potential conflict of interest that may invoke IRS sanctions

Resolve Foundation will recommend that all prospective donors seek the assistance of personal legal and financial counsel in matters relating to their gifts and the resulting tax and estate planning consequences.

5. Conflict of Interest

The Board of Directors will assure itself that Foundation personnel are circumspect in all dealings with donors in order to avoid, even the appearance of, any act of self-dealing. The Board will consider a transaction in which the employee has a "material financial interest" with a donor an act of self-dealing. In reviewing self-dealing transactions, the Board shall consider financial interest "material" to an employee if it is sufficient to create an appearance of a conflict.

6. Restrictions on Gifts

Resolve Foundation will accept unrestricted gifts and gifts for specific programs and purposes provided that such gifts are consistent with its stated mission, purposes, and priorities. Resolve Foundation will not accept gifts that are too restrictive in purpose. Examples of gifts that are too restrictive include those that violate the terms of the corporate charter, gifts that are too difficult or cost prohibitive to administer, or gifts that are for purposes outside the mission of Resolve Foundation.

7. Conditional Gifts

Generally, Resolve Foundation will not accept conditional gifts. For the purpose of this policy a conditional gift is one that is subject to or dependent on a condition. A conditional gift can be revoked if the recipient does not fulfill the conditions attached to the gift. It is not final until some future event occurs. A donor-imposed condition on a transfer of assets or a promise to give will generally specify a future and uncertain event, the occurrence of which gives the donor a right to seek return of the assets transferred or releases the donor from its obligation to transfer assets promised. Conditional gifts can have accounting implications for Resolve Foundation and tax deductibility implications for the donor. Conditional gifts that are strictly due to a length of time or based on a condition that is extremely probable to occur may be considered for acceptance.

8. Unacceptable Gifts

Resolve Foundation reserves the right to refuse any gift that is not consistent with its mission. In addition to, and without limiting the generality of, the following gifts will not be accepted by Resolve Foundation:

- a. Gifts that violate any federal, state, or local statute or ordinance
- b. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest in property
- c. Gifts that are made with the condition that the proceeds will be spent by Resolve Foundation for the personal benefit of a named individual
- d. Gifts that could expose Resolve Foundation to liability.

9. Acceptable Gifts

A. Types of acceptable gifts:

1. Cash
2. Tangible Personal Property
3. Securities
4. Real Estate
5. Remainder Interests in Property
6. Oil, Gas, and Mineral Interests
7. Life Insurance Policies
8. Charitable Remainder Trusts
9. Charitable Lead Trusts
10. Retirement Plan Beneficiary Designations
11. Bequests
12. Life Insurance Beneficiary Designations

10. The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash gifts are acceptable in any form, including check, money order, credit card, (including online giving through the Resolve Foundation website or third-party websites (such as PayPal, etc.), Automatic Clearing House (ACH), and Electronic Fund Transfer (EFT). Checks shall be made payable to Resolve Foundation.
2. **Tangible Personal Property:** All gifts of tangible personal property shall be examined in light of the following criteria:
 - Does the property fulfill the mission of Resolve Foundation?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?
3. **Securities:** The Foundation may accept both publicly traded securities and closely held securities.
 - **Publicly Traded Securities:** Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt. In some cases, marketable securities may be restricted by applicable securities laws; in such instance a final determination on the acceptance of the restricted securities shall be made.

- ***Closely Held Securities:*** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, may be accepted subject to determination that there are no restrictions on the security that would prevent Resolve Foundation from ultimately converting those assets to cash, the security is marketable, and the security will not generate any undesirable tax consequences for Resolve Foundation. There may also be circumstances where retaining the closely held securities by Resolve Foundation would be beneficial. These circumstances should be reviewed by Resolve Foundation Board of Directors and Resolve Foundation Financial Planning Committee before acceptance.
 - ***Real Estate:*** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor. When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor. Prior to acceptance of the real property, the gift shall be approved by the Foundation Board of Directors and by the Foundation's legal counsel. Criteria for acceptance of the property shall include:
 - a. Is the property useful for the purposes of the Foundation?
 - b. Is the property marketable?
 - c. Are there any restrictions, reservations, easements, or other limitations associated with the property?
 - d. Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
 - e. Does the environmental audit reflect that the property is not damaged?
4. ***Remainder Interests in Property:*** The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph (4.) above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.
5. ***Oil, Gas, and Mineral Interests:*** The Foundation may accept oil and gas property interests, when appropriate. Criteria for acceptance of the property shall include:
- Gifts of surface rights should have a value of \$20,000 or greater.
 - Gifts of oil, gas and mineral interests may be accepted after appropriate review.
 - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
 - The property should undergo an environmental review to ensure that Resolve

- Foundation has no current or potential exposure to environmental liability.
6. ***Life Insurance Policies:*** Resolve Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Resolve Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, Resolve Foundation may:
 - continue to pay the premiums,
 - convert the policy to paid up insurance, or
 - surrender the policy for its current cash value.
 7. ***Charitable Remainder Trusts:*** Resolve Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Foundation Board of Directors. The Foundation will not accept appointment as Trustee of a charitable remainder trust.
 8. ***Charitable Lead Trusts:*** Resolve Foundation may accept a designation as income beneficiary of a charitable lead trust. The Board of Resolve Foundation will not accept an appointment as Trustee of a charitable lead trust.
 9. ***Retirement Plan Beneficiary Designations:*** Resolve Foundation may accept designation as a retirement plan beneficiary. Such designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
 10. ***Bequests:*** Resolve Foundation may accept bequests to Resolve Foundation under a will or trust. Such bequests will not be recorded as gifts to Resolve Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
 11. ***Life Insurance Beneficiary Designations:*** Resolve Foundation may accept being named as beneficiary or contingent beneficiary of a life insurance policy. Such designations shall not be recorded as gifts to Resolve Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

11. Special Circumstances

- A. **Corporate Matching Gifts:** The Foundation will honor a corporate/organization's matching gift policy while optimizing matching opportunities as fully as possible. If Resolve Foundation has reason to believe that a donor is not in compliance with a matching entity's policies, staff will contact the donor for clarification. Cash gifts received from organizations or corporations to match gifts from individuals who are associated with that organization will be credited to the company, with soft credit to the individual donor's record. Unless explicitly prohibited by the matching organization, these funds will be allocated to the same purpose as the individual donor's gift.
- B. **Memorial, Honorary and "on Behalf of" Gifts:** Memorial and honorary gifts are encouraged by Resolve Foundation as generous and thoughtful ways to recognize people's lives and accomplishments.

12. Miscellaneous Provisions

Securing appraisals and legal fees for gifts to Resolve Foundation: It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Foundation.

Valuation of gifts for development purposes: Resolve Foundation will record a gift at its valuation for gift purposes on the date of gift.

Responsibility for IRS filings upon sale of gift items: Resolve Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by Resolve Foundation when the charitable deduction value of the item is more than \$5,000. This form must be filed within 125 days of the date of sale or disposition of the asset.

13. Donor Acknowledgement and Recognition

Acknowledgement of all gifts made to Resolve Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of Resolve Foundation Board of Directors.

- a. **General gift acknowledgement:** All gifts to Resolve Foundation will receive acknowledgement as soon as practicable. A thank you letter for cash donations will be sent to each donor upon acceptance of a gift. Gifts of \$1,000 or more may also be acknowledged with a phone call from a member of Resolve Foundation Board of Directors, staff member, or fundraising volunteer as soon as practicable following receipt of the gift.
- b. **Free complimentary gifts:** Resolve Foundation may choose to offer free complimentary gifts in an effort to boost or promote donation drives. Free gifts only available while supplies last. Other restrictions may apply.
- c. **Donor recognition:** All donors contributing \$25 or more will be listed in the Resolve Foundation Donors list published on Resolve Foundation website and recognized in Resolve Foundation Annual Report. Donors contributing planned gifts and direct gifts of \$5,000 or more to Resolve Foundation will be recognized as Resolve Foundation Members if the donor is an individual or Resolve Foundation Corporate Partners if the donor is a business.
- d. **Anonymity:** Requests for donor anonymity will be honored.
- e. **Confidentiality:** Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by Resolve Foundation. This information is confidential and shall be restricted to use for Resolve Foundation's organization purposes only. Names of donors will not be provided by Resolve Foundation to other organizations, nor will any lists be sold or given to other organizations.

Revisions

These policies have been reviewed and approved by Resolve Foundation Board of Directors. Except as otherwise stated within these written policies, the Gift Acceptance Committee must approve any exceptions to policy provisions. This policy shall be periodically reviewed by an appropriate committee or subcommittee of the Board of Directors, and any recommended revisions and updates will be presented to the Board of Directors for approval.

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