The Navy League of the United States, Hampton Roads (hereinafter “NLHR” or “Corporation”) is a nonprofit, 501(c)(3) organization that solicits and accepts gifts to further the charitable mission of the Corporation. The following policies and guidelines govern acceptance of gifts made to NLHR for the benefit of its operations, programs, or services.

1. **Purpose**. The intent of this policy is to provide staff, members of the Board of Directors, and Corporate Officers with guidance on the kinds and types of gifts to be accepted by the Corporation and to govern the use of legal counsel, agreements, documents, pledges, and other legal issues to ensure a successful gift that benefits NLHR.
2. **Definitions.**
3. “Annuity” means a fixed sum of money paid to someone each year.
4. “Bequest” means a gift by will of personal property.
5. “Charitable Gifts” means a gift of cash or property made to a nonprofit organization to help it accomplish its goals, for which the donor receives nothing of value in return.
6. “Charitable Lead Trust” means an irrevocable trust designed to provide financial support to one or more charities for a period of time, with the remaining assets eventually going to family members or other beneficiaries.
7. “Charitable Remainder Trust” means an irrevocable trust designed to provide financial support to one or more charities that allows the donor to receive income from the trust for their lifetime or for a specific period of time and upon the donor’s date of death or the expiration of the specified period of time, the remaining balance is donated to the charity(ies).
8. “Closely Held Securities” means stock that is predominantly owned by one individual owner or by a small group of controlling stockholders.
9. “Devise” means the transfer or disposition, by will, of real estate.
10. “Financial Securities “means stocks, bonds, investment contracts, notes, and derivatives.
11. “Gift” means a voluntary transfer of property to another made gratuitously and without consideration.
12. “Insurance” means a contract for a stipulated consideration whereby on party undertakes to compensate the other for loss on a specified subject by specified perils.
13. “Intangible Property” means property that cannot be touched because it has no physical existence such as claims, interest, and rights.
14. “Personal Property" means all property other than real estate.
15. “Publicly Traded Securities" means any equity security (including an option on individual equity securities, and an option on a group or index of such securities)
16. listed, or admitted to unlisted trading privileges, on a national securities exchange, or quoted in an automated interdealer quotation system.
17. “Real Estate” means land and anything permanently affixed to the land also referred to as “Real Property.”
18. “Restricted Gift” means conditional gifts and resources donated for specific reasons chosen by the donor. Restricted gifts are generally earmarked for a specific purpose, program, or time and are governed by Donor Intent.
19. “Stock” means an equity ownership interest in a corporation.
20. “Tangible Property” means property which is touchable and has real existence whether it is real or personal.
21. “Unrestricted Gift” means a gift made by a donor with no limitations on how the gift is to be used. Unrestricted gifts provide organizations with total discretion and flexibility in how to use the funds where they are needed most.
22. **Gifts.**
23. Procedures and Guidelines.
24. NLHR Board of Directors reserves the right to accept or decline any donation or commitment that is offered to the Corporation and if accepted, to determine how any commitment will be credited and/or how such commitments will be recognized.
25. Gifts to NLHR should be made in the name of the Navy League of the United States, Hampton Roads and will be taken, held and administered by the Board of Directors.
26. Pledges or outright gifts shall be made in writing and should commit to a specific dollar amount that will be paid according to the written agreement executed between the donor(s) and NLHR. The recommended pledge period is between two (2) and five (5) years. The Board of Directors reserves the right to negotiate all planned giving agreements.
27. NLHR will use accepted IRS formulas for determining the present value of future planned gifts.
28. NLHR will acknowledge and recognize all gifts appropriately.
29. However, NLHR will honor a Donor’s request for anonymity subject to applicable tax reporting requirements or other limitations imposed by law.
30. NLHR will notify Donor(s) if Donor receives any benefits in exchange for the gift that may be valued at more than 2% of their gift.
31. Gifts Generally Accepted without review. NLHR will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. Generally, the following gifts will be accepted without review:
32. Cash. Cash gifts are acceptable in any form, including by check, money order, credit card, or online. Donors wishing to make a gift by credit card must provide the card type (Visa, MasterCard, American Express, etc.), card number, expiration date, name of cardholder as it appears on the credit card.
33. Annuities. NLHR will accept gifts of annuities.
34. Publicly Traded Securities. Publicly traded securities may be transferred electronically to an account maintained at one or more brokerage firms maintained by NLHR or delivered physically with the transfers endorsement or signed stock power (with appropriate signature guarantees) attached. Publicly traded securities may be sold upon receipt unless otherwise directed by NLHR's Finance Committee.
35. Bequests and Beneficiary Designations Under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans. Donors are encouraged to make bequests to NLHR under their wills, and to NLHR as the beneficiary designated in trusts, life insurance policies, commercial annuities, and retirement plans.
36. Charitable Lead Trusts. NLHR will accept gifts from a Charitable Lead Trust.
37. Charitable Remainder Trusts. NLHR will accept a designation as a remainder beneficiary of a charitable remainder trust.
38. Gifts Accepted Subject to Review. Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to review prior to acceptance include, but are not limited to:
39. Tangible Personal Property. The Executive Committee shall review and determine whether to accept any gifts of tangible personal property considering the following: does the property further the Corporation’s mission? Are there any carrying costs for the property for which the Corporation may be responsible? Is the title and/or provenance of the property clear?
40. Publicly Traded Securities. In cases where a gift of publicly traded securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift, the decision whether to accept the restricted securities shall be made by NLHR’s Board of Directors with input from the Finance Committee.
41. Closely Held Securities. Closely held securities, which include not only debt and equity positions in non-publicly traded companies, but also interests in limited partnerships and limited liabilities companies or other ownership forms may be accepted By NLHR's Board of Directors if it is determined that:

There are no restrictions on the security that would prevent NSF from ultimately converting those assets to cash.

The security is marketable; and the security will not generate any undesirable tax consequences for NLHR.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on accepting the gift. NLHR's Board of Directors and legal counsel shall make the final determination on the acceptance of a closely held security when necessary. Every effort will be made to sell nonmarketable securities as quickly as possible.

1. Life Insurance. NLHR will accept gifts of life insurance where NLHR is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owed on the policy.
2. Real Estate. All gifts of real estate, including remainder interests in real estate, are subject to review by the Executive Committee. Prior to acceptance of any gift of real estate, other than a personal residence, NLHR shall require an initial environmental review by a qualified environmental firm. If the initial review reveals a potential problem, NLHR may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include determinations as to:
3. The property’s usefulness for the corporation's purposes.
4. The property’s readiness for marketability.
5. The existence and impact of any covenants, conditions, restrictions, reservations, easements, encumbrances, or other limitations associated with the property.
6. The existence of any future carrying costs (including insurance, property taxes, mortgages, notes, or the like) maintenance expenses, or required repairs associated with the property.
7. The existence of any environmental cleanup or remediation requirements identified by environmental review or audit.
8. **Unrestricted Gifts**. NLHR prefers and favors the donation of unrestricted gifts. These gifts are to be used to fund the programs, services, and purposes of NLHR at the discretion and allocation of the Board of Directors. Unrestricted gifts, funds are not tied to specific projects of purposes and can be used to enhance NLHR’s innovation, stability, resiliency, and effectiveness.
9. **Restricted Gifts**. Restricted gifts allow a donor to enhance their personal story, provides donors with more of an ownership impact, allows donors to play a bigger role in the program, and allows the donor to feel more control over how their gift is used. NLHR will accept restricted gifts as follows:
10. Perpetual Named Scholarships. All policies related to a Perpetual Named Scholarship shall refer to any fund, or part thereof, not wholly expendable by NLHR on a current basis under the terms of an executed gift agreement.
11. Perpetual Named Scholarship Gifts. Gifts received may be used to establish a special scholarship fund or may be added to an existing Perpetual Named Scholarship.
12. Written Gift Agreements. All Perpetual Named Scholarship gifts shall be subject to a written gift agreement. Each agreement will set forth the name of the donor, the total amount of the gift, the term of time over which the gift will be donated, the name of the fund to be established, and the donor’s intent and purpose of the gift to be achieved.
13. Minimum Gift. To establish a Perpetual Named Scholarship, the Donor must meet the minimum dollar amount required by NLHR to establish a Perpetual Named Scholarship. The Board of Directors, from time to time, shall establish and modify the minimum dollar amounts required to establish a Perpetual Named Scholarship. However, the first gift under the gift agreement does not need to be the minimum required to establish the Perpetual Named Scholarship if the donor agreement contemplates a series of gifts that will ultimately meet the minimum dollar amount requirement. However, the Perpetual Named Scholarship will not be established until all of the gifts received under the agreement meet the minimum requirements.
14. Designating a gift for a specific purpose. NLHR shall encourage a donor to:
15. Describe the purpose of the gift as broadly as possible; and
16. Avoid detailed limitations and restrictions.
17. Capital and other Campaigns. From time to time, NLHR may embark on capital and other campaigns to raise funds targeted to specific programs or projects, withclear goals, concrete objectives, and strict deadlines and timelines, over a limited period of time.
18. Campaigns may consist of:
19. Capital Campaigns;
20. Annual Giving Campaigns;
21. Online Fundraising Campaigns;
22. Time Limited Campaigns; and
23. Matching Gift Campaigns.
24. All gifts donated as a result of a Campaign will be restricted and earmarked specifically for the campaign’s specifically defined and detailed goal or purpose.
25. Matching Gifts. NSF may, from time to time, accept gifts that are matched by a donor’s employer or enter into a written gift agreement with a donor in which the donor shall provide matching funds to gifts for a specific program, service, or project.
26. Employer Matched Gifts. A donor whose gift is matched by his/her employer will be recognized for the total amount of the gift. NLHR shall encourage donors to utilize an employer’s matching gift program to the greatest extent possible as these programs maximize the value of the gift.
27. Employer Matched Gifts can’t be used to fulfill pledged amounts. A donor who has entered into a written gift agreement with NLHR and takes advantage of his/her employer’s gift matching program cannot use the employer’s part of the matched gift to fulfill his/her pledge to NLHR.
28. Donor Matching Gift Agreements. NLHR will encourage donors to provide matching gifts to further the goals of a campaign. Each Donor shall execute a written gift agreement that details the process and amount of funds to be matched by the Donor.
29. NLHR will communicate with other donors the amount to be matched by the matching donor, the period of time in which to make the donation, and the amounts to be matched.
30. NSF will track the amount of gifts to ensure that as much of the gifts donated make maximum use of the matched donations.
31. Gift recording. A donor’s matched gift will be recorded as of the date that the gift is received.
32. **Prohibited Gifts**. NLHR will not accept gifts that:
33. would result in NLHR violating its corporate charter;
34. would result in NLHR losing its status as an IRC §501(c)3 not for profit organization;
35. are too difficult or too expensive to administer in relation to their value;
36. would result in any unacceptable consequences for the organization;
37. would involve significant additional expenses for their present or future use, display, maintenance, or administration;
38. would be conditioned, understood, or expected to be the loaned to the donor or to persons designated by the donor for life or for an extended period of time;
39. for purposes outside NLHR’s mission; or
40. gifts that are too restrictive and/or would burden the corporation.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the NLHR Executive Committee in conjunction with the Finance Committee and its legal counsel.

1. **Use of Legal Counsel.** NLHR will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:
2. Gifts of securities that are subject to restrictions or buy sell agreements;
3. Gifts of securities in closely held corporations or entities;
4. Gifts that are governed by contracts or other legal documents, including, but not limited to Trusts, Wills, Court Orders and Decrees;
5. Documents naming NLHR as trustee or requiring NSF to act in any fiduciary capacity;
6. Gifts requiring NLHR to assume financial or other obligations;
7. Transactions with potential conflicts of interest;
8. Gifts of property or real estate that may be subject to environmental or other regulatory restrictions; and
9. Other circumstances in which the Board of Directors, Executive Committee,Finance Committee, Stewardship Committee or Executive Director believe the use of counsel is appropriate.
10. **Conflict of Interest**. NSF urges all perspective donors to seek the assistance of their own legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.
11. **VALUATION OF GIFTS.**
12. Gifts of Publicly Traded Securities. All gifts of publicly traded securities will be valued at the closing price on the date that the secure ty is transferred into the name of NLHR.
13. Gifts of Closely Held Stock. All gifts of closely held stock will be valued at its fair market value as of the date the stock is transferred to NLHR. A gift of closely held stock will be valued by a qualified independent appraiser. Closely held stock shall be liquidated at the earliest possible opportunity.
14. Gifts of Real Estate. All real estate donated to NLHR shall be valued at its fair market value by a qualified independent real estate appraiser less any liens and encumbrances as of the date of the Donor’s conveyance to NLHR.
15. Gifts of Tangible Personal Property. All gifts of tangible personal property will be valued at the property’s fair market value as of the date such property is transferred to NLHR.
16. Gifts of Insurance. NLHR will accept the following types of insurance:
17. Fully paid up, or otherwise vested insurance policies will be valued as “Future” expectancies at the unrealized death benefit (face value) of the policy when the insured is Sixty-Five (65) years old or greater or at the replacement cost if the donor is under the age of Sixty Five (65) years of age or discounted per schedule of actuarial life expectancy.
18. Whole Life Insurance will be valued at the cash value of the policy at the time of transfer from Donor to NLHR.
19. Term life Insurance will not be valued until the condition of distribution is fulfilled and distribution of the policy proceeds are made. The Term Life Insurance gift will be valued at the value of the final distribution of the insurance proceeds.
20. **Securing Appraisals and Legal Fees for Gifts To NLHR.** It will be the responsibility of the donor to secure an appraisal (where required) and their own legal counsel for all gifts made to NLHR.
21. **Valuation of Gifts for Development Purposes.** NLHR will record a gift received by NLHR at its valuation for gift purposes on the date of the gift.
22. **Responsibility for IRS Filings Upon Sale of Gift Items.** NSF is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two (2) years of receipt by NLHR when the charitable deduction value of the item is more than $5000. NLHR will file this form within 125 days of the date of sale or disposition of the asset. Acknowledgement of all gifts made to the charity in compliance with current IRS requirements in acknowledgment of such gifts shall be the responsibility of NLHR.
23. **Publicity And Recognition.**
24. Unreserved Gifts. NLHR reserves the right to publish the total amounts raised annually for unreserved gifts.
25. Restricted Gifts. NLHR will ascertain the donor’s wishes regarding publicity and recognition for each restricted gift donated. NSF will abide by a donor’s decision regarding publicity and recognition.
26. Anonymous Gifts. NLHR will honor the anonymity request of donors subject to limitations of applicable tax reporting and other limitations imposed by law.
27. **Donor Bill of Rights**. In accordance with the standards established by the Association of Fundraising Professionals, NLHR adheres to the following which notes that a donor has the right:
28. 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.
29. To be informed of the identity of those serving on the organization’s governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
30. To have access to the organization’s most recent financial statements.
31. To be assured their gifts will be used for the purposes for which they were given.
32. To receive appropriate acknowledgement and recognition.
33. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
34. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
35. To be informed whether those seeking donations are volunteers, employees of the organization, or hired solicitors.
36. To have the opportunity for their names to be deleted from the NLHR mailing lists.
37. To feel free to ask questions when donating and to receive prompt, truthful, and forthright answers.