



## **Gift Acceptance Policy**

The Abraham Path Initiative (API) is a non-governmental organization based in the United States that develops, nurtures, and promotes walking trails and the culture of hospitality in Southwest Asia, commonly known as “the Middle East.” Our work is inspired by the travels of the legendary Abraham (*Ibrahim*, in Arabic and Turkish, *Braham* in Kurdish), who is believed to have walked through the region, sharing hospitality and kindness with strangers. API uses the power of storytelling to advance our mission to introduce global audiences to the people, places, and the diverse cultures of the region that continue practicing hospitality as a way of life. API is committed to assisting donors in making philanthropic experiences rewarding and serving our valued donor community with the highest level of excellence, professionalism, and ethical standards. API’s tax ID number is 20-8041715.

### **1. Purpose and Scope of Policy**

The Board of Directors has authorized the organization to solicit charitable contributions from individuals, corporations, foundations, and public funders to secure the growth and mission of API. This policy governs the acceptance and disposition of all gifts made to API.

**1.1. Responsibility to Donors:** API shall assist donors in accomplishing their philanthropic objectives in providing support for API. Information concerning all transactions between a donor and API shall be held in confidence and may be publicly disclosed only with the permission of the donor as designated below.

**1.2. Anonymity:** API respects the wishes of donors to support API anonymously and will take reasonable steps to safeguard those donors’ identity. API must observe the legal requirement in submitting annual Form 990 to the IRS, to disclose donors’ names for gifts of \$5,000 or greater in any given year. Other than that requirement, API will honor a donor’s request for anonymity by not disclosing a donor’s name externally (except noted as “Anonymous”). If a donor wishes their name not to be disclosed internally, API will use best efforts to restrict knowledge of the gift to those directly involved with gift processing and administration of associated benefits.

Gifts directed anonymously through legal intermediaries, including Donor Advised Funds (DAFs), are credited as gifts from the intermediary or sponsoring organization. In such cases, API relies on those entities to comply with federal, state, and all other applicable laws.

**1.3. Disclaimer:** The interests of prospective donors shall be balanced with the needs and obligations of API with respect to the administration of any gift. Each prospective donor shall be informed that API does not provide legal, tax, or financial advice, and is advised to discuss all charitable planned giving decisions with their legal, financial, and/or tax advisor before entering any commitment to make a gift. When API provides prospective donors with calculations,

projections, or samples and templates for gift instruments, any such calculations, samples, or templates are for purposes of illustration only and do not constitute legal or tax advice.

## **2. Authority to Solicit and Accept Gifts**

API is committed to the highest ethical standards and shall adhere to the Association of Fundraising Professionals (AFP) Code of Ethical Standards and the Partnership for Philanthropic Planning (PPP) Model Standards of Practice for the Charitable Gift Planner.

### **2.1. Acceptable Gift Assets:**

- OUTRIGHT GIFTS IN CASH – Cash, checks, and money orders made payable to the Abraham Path Initiative shall be accepted, as shall gifts by credit card and gifts from Donor Advised Funds
- DEFERRED OR PLANNED GIFTS
- CORPORATE MATCHING CONTRIBUTIONS
- OTHER TYPES OF GIFTS – API will consider other gifts including but not limited to securities, real estate, and other illiquid gifts on a case-by-case basis if there is a readily available means of immediate liquidation and no significant transaction costs to API. All gifts made by securities will be valued in accordance with Internal Revenue Service guidance. All appraisals of real and personal property contributed to API are the responsibility of the donor.

**2.2. Unrestricted Gifts:** API encourages unrestricted gifts, allowing API maximum flexibility in the pursuit of its mission. This enables API to manage its resources most effectively and efficiently to accomplish its mission.

**2.3. Multi-Year Restricted Gifts:** API will accept gifts for specific programs and purposes, provided that such gifts are consistent with API's mission and funding priorities. Any such restrictions must be agreed to at the time the gift is established and fully documented in writing. If in any given year API does not have sufficient expenses related to the purpose of a gift to fully utilize the annual draw, any unutilized draw will be deployed to the general fund. API will make every effort to discuss with the donor ahead of time if such a redeployment is required. API reserves the right to broaden or alter the purpose of a gift should it be determined at some future date that the purpose for the gift restriction becomes unlawful, impracticable, impossible to achieve, or inconsistent with the needs of API.

**2.4. Pledges:** Pledges are binding written commitments to donate a specific dollar amount according to a fixed time schedule. API will generally accept pledges in any amount. The donor who wishes to make the donation in installments over time is required to document this commitment and sign a Pledge Agreement that will create a binding legal obligation on the part of the donor and the donor's estate if the commitment remains unpaid at his or her death. The following conditions are required:

- The amount of the pledge must be clearly specified
- A clearly defined payment schedule must be outlined
- There shall be no contingencies or conditions

- The pledge must state the intent of the donor to be legally bound
- The donor must be financially capable of making the gift

2.5. **Deferred or Planned Gifts:** API encourages donors to consider making provisions for the institution in their estate plans. Generally, planned gifts do not result in API assuming present ownership of the asset that is the subject of the gift. The acceptable methods of creating planned gifts are described below.

- **Will or Revocable Living Trust**

Gifts made by will or revocable living trusts or bequests are completed only at the death of the donor and/or surviving beneficiary(ies). Because a bequest does not take effect until death, a donor retains control of the property or assets for their entire life.

- **GENERAL:** Donors are encouraged to make unrestricted bequests to API under their wills and trusts, and may be provided suggested approved language. However, donors can also restrict their bequests to a program or purpose that is in keeping with API's mission and purpose; as with all gifts, the designation must not be too restrictive in nature, and should always include a contingency clause. The donor can designate a specific amount, a percentage, or the remainder of an estate.
- **RECORDING:** Such bequests shall not be recorded as gifts until such time 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 it becomes irrevocable.
- **RECOGNITION:** Bequests designated to create named funds, faculty chairs and positions, and scholarship and financial aid funds will be recognized at the time the gift is received. Such bequests must generally conform to the policies surrounding other types of named gifts.

- **Insurance Beneficiary Designation**

API accepts gifts of life insurance in the form of a paid-up whole-life policy where API is the owner and named beneficiary of the policy. Donors are encouraged to name API as a beneficiary or contingent beneficiary of their life insurance policies. Such designations will not be recorded as gifts until the gift is irrevocable. If the donor retains ownership of the policy, this will not be until the death of the owner. Written confirmation is encouraged. API will accept gifts of life insurance policies, including whole life, variable, and universal life policies that meet the following criteria:

1. The policy is paid in full by the donor(s).
2. API is designated as both the irrevocable owner and beneficiary of the insurance policy.
3. If intended to create a new endowment, the face value of the policy must meet any funding requirement in place; donors are advised to discuss their plans with API.

- **Retirement Plan**

Donors are encouraged to name API as the primary beneficiary or contingent beneficiary of their retirement plans, such as IRA's, 401(k)'s, and other qualified plans.

Such designation will not be recorded as a gift to API until such time the gift is irrevocable. This will normally be upon the death of the owner.

- **Charitable Remainder Trusts and Charitable Remainder Unitrusts**

A gift of cash, stock, or other acceptable property can be used to establish a Charitable Remainder Trust (CRT). In a CRT, the donor designates herself or someone else to be the trustee who manages the assets. The donor or other beneficiaries receive an income, with annual payouts of at least 5% of the initial gift, for life or for a specified period of no more than twenty years. The donor generally receives a charitable tax deduction in the year the trust is established. Upon the termination of the trust, API receives what is left in the trust. A CRT is a way to dispose of highly appreciated, low-yielding assets without capital gains tax, in favor of assets that will produce higher levels of cash flow and appreciation, all while seeing an immediate income tax deduction. API encourages donors to establish CRT's and provide an irrevocable remainder interest to API.

API will generally *not* serve as trustee of a CRT unless otherwise agreed upon by the Board of Directors. API encourages the donor to submit a fully executed copy of the CRT document and/or complete a Legacy Society intent form. We recommend that API be named as a beneficiary of at least 50% of the remainder. The recommended minimum age of an individual beneficiary is 55 if such a beneficiary is named in addition to API.

**2.6. API's Right to Decline a Gift:** API will make every effort to accommodate and accept charitable contributions from donors. API reserves the right to decline any gift whose terms knowingly violate policies, including:

- Violate federal, state, or other relevant laws or cause any risk to API's tax-exempt status.
- Interfere with or restrict API's autonomy or independent decision-making or include restrictions that could damage the reputation of API.
- Restrictive as to be unaligned with API's mission, difficult to utilize, impose burdensome administrative costs, or financial risks.
- Quid pro quo contributions that provide a donor with goods or services of more than insubstantial financial value in exchange for the gift unless the gift is acknowledged that the value of the goods or services is fully disclosed in a timely manner and reduces the recorded value of the gift as applicable.

### **3. Gift Assets, Reporting, and Valuation Standards**

For campaign and other reporting purposes, API shall use the National Association of Charitable Gift Planners [Guidelines for Reporting and Counting Charitable Gifts](#).

**3.1. Valuation of Gifts:** Outright gifts involve the lifetime transfer of an asset by a donor to API without receipt of consideration or economic benefit by the donor in return. Such gifts are placed at API's immediate disposal and may be unrestricted or restricted for purpose. Most assets are donated as outright gifts to API and liquidated to fund an organizational priority unless there is a written agreement that specifies another use.

A planned gift is any gift, other than an outright gift of cash. Often, a planned gift enables donors to make larger gifts during their lifetime. In general, a planned gift can be:

- an outright gift of a non-cash asset.
- a life income gift that may provide an income tax deduction to the donor, income to the donor and/or beneficiaries, and a reduction of estate tax by removing the asset from the donor's estate; and
- a bequest in the donor's will or other estate plan (e.g., trust). For gift valuation purposes, API will rely on the valuation methodology prescribed by the Internal Revenue Service.

#### **4. Gift Documentation Requirements**

Except for annual fund gifts, all gifts of \$100,000 or greater will be documented with a written gift agreement. To be recorded and credited, the agreement must be co-signed by the donor and an authorized representative of API. Each gift agreement shall state the name of the donor, the date of the gift, all terms of gift or pledge payment, all restrictions, or designations, how the gift will be structured, any provisions for recognition and crediting, and signature/date blocks for the donor and a representative of API. All gift agreements shall be signed with two originals: one for the donor and one for the permanent files of API.

All gift agreements must include the following standard clauses:

- *Impracticability or inconsistent with current needs* – If at any time it becomes impractical or inconsistent with current needs for the donor's gift to be used for API's charitable purposes, API shall consult with the donor to discuss alternative uses for the gift. If this is not possible, API may use its best judgment to determine a use that most closely meets API's charitable purpose.
- *Quid pro quo* – API attests that no substantial goods or services have been received by the donor in return for their gift or will set forth the goods and services provided for a quid pro quo gift.
- *Force majeure* – Neither API nor the donor(s) shall be liable nor deemed to be in default for any delay or failure in the performance of any of its obligations under this gift agreement to the extent and for such periods of time as such delay or failure to perform results directly or indirectly from any act of God or man-made disaster or any similar cause beyond the reasonable control of either party.

For all gift agreements concerning endowment funds, the following clause will also be included:

- *Use of funds* – Gifts made by the donor shall be invested in an API endowment fund, to be held and administered as part of an API Restricted or Board Designated Endowment. The income and appreciation from the endowment available for spending each year shall be determined by API. API shall have sole discretion in the investment of the Fund. In determining the net income of the Fund, API may deduct reasonable and customary expenses.

#### **5. Donor Recognition and Future Events**

API may establish criteria for honoring a donor with certain recognition based on various giving levels and types of gifts with the permission of the donor. Where future actions of a donor or new facts related to a donor's past potentially trigger exclusions, API will review what course of action to take.

**5.1. Gift Announcement:** The decision to announce a gift will be determined by API. A gift announcement shall be made only with the permission of the donor. Requests for anonymity will be reviewed in accordance with Section 1.2 above.

**5.2. Recognition:** Recognition may include mention in API publications, listing the donor's name on various placement opportunities established by API, and/or the opportunity to receive invitations to donor recognition events

**6. Redesignation of Gifts:** If, at any time after acceptance of a gift, it becomes impossible or impractical or inconsistent with the current needs of API for any portion of the gift to serve the specific purpose for which it was donated, API reserves the right to change the designated purpose of the gift to a purpose that it deems most consistent with the wishes and intentions of the donor used to best serve the needs of API at such time.

**7. Returning a Gift:** In most cases, returning a gift to a donor is prohibited unless deemed an overpayment of a pledge or other payment mistakes such as the use of an incorrect account. Charitable contributions are gifts to nonprofit organizations and an irrevocable transfer of a donor's interest in the money or other asset.

**8. Legal Counsel:**

API shall seek the advice of legal counsel on the organization's behalf in matters relating to the acceptance of gifts when appropriate.

**9. Subsequent Review of Policies:**

The Executive Committee will periodically review these policies and make recommendations for revisions to the Board of Directors for its approval as needed.

Approved on December 2, 2023 by the Board of Directors of the Abraham Path Initiative.