

Prairie Crossing Charter School
Board of Director's Policy

Policy # 900.1

Development and Community Relations.

**Prairie Crossing Charter School
Fundraising and Gift Acceptance Policy**

Prairie Crossing Charter School (PCCS), a not for profit organization organized under the laws of the State of Illinois, encourages the solicitation and acceptance of gifts to PCCS for purposes that will help PCCS to further and fulfill its mission. The following policy governs acceptance of gifts made to PCCS or for the benefit of any of its programs.

Mission: Prairie Crossing Charter School is a public school that transforms our children through academic discovery and interaction with our unique natural, ecological, and community resources.

I. Purpose of Policies and Guidelines

The board of directors of PCCS and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of the organization. This policy governs the acceptance of gifts by PCCS and provides guidance to prospective donors and their advisors when making gifts to PCCS. The provisions of this policy shall apply to all gifts received by PCCS for any of its program or services.

PCCS fundraises through soliciting donations, conducting fundraising events, soliciting partnerships/sponsorships from businesses and individuals, and submitting grant proposals to government agencies, family and corporate foundations, and other granting agencies.

II. Use of Legal Counsel

Prairie Crossing Charter School shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review of counsel is recommended for:

- 1) Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- 2) Documents naming PCCS as Trustee.
- 3) Gifts involving contracts, such as bargain sales or other documents requiring PCCS to assume an obligation.
- 4) Transactions with potential conflict of interest that may invoke IRS sanctions.
- 5) Other instances in which use of counsel is deemed appropriate by the gift acceptance committee.

Legal fees for completion of the gift are the responsibility of the donor.

PCCS will utilize the services of outside legal counsel to provide guidance relating to the acceptance of gifts. Board members will not be used as legal counsel. The use of counsel, when appropriate, is part of the fiduciary role exercised by the PCCS Board of Directors.

III. Conflict of Interest

PCCS will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. PCCS will endeavor to comply with the *Model Standards of Practice for the Charitable Gift Planner* promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

Donor Bill of Rights. PCCS adheres to the following rights listed in the “Donor Bill of Rights,” developed by the American Association of Fund Raising Council (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the National Society of Fund Raising Executives (NSFRE):

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 assure 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:

- 1) 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.*
- 2) 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.*
- 3) To have access to the organization’s most recent financial statements.*
- 4) To be assured their gifts will be used for the purposes for which they were given.*
- 5) To receive appropriate acknowledgement and recognition.*
- 6) To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.*
- 7) To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.*
- 8) To be informed whether those seeking donations are volunteers of the organization or hired solicitors.*
- 9) To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.*
- 10) To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers.*

IV. Restrictions on Gifts

PCCS 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. PCCS will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission and values of PCCS.

Other restrictions on the receipt of gifts. The gift acceptance committee may reject prospective gifts for reasons including, but not limited to, the following:

- State or federal laws that restrict or limit the prospective donor's product/service line. Consideration will be given as to whether these restrictions apply to adults and/or minor students served by PCCS.
- Illegal or improper issues associated with the prospective donor's product/service line. Consideration will be given to how significant and widespread these are.
- The donor promotes adults products or products inappropriate for children.

All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the gift acceptance committee of the Charity.

V. The Gift Acceptance Committee

The gift acceptance committee shall consist of:

- 1) The president of PCCS, when applicable and permissible according to Policy 900.3;
- 2) The treasurer of PCCS;
- 3) The chair of the Communications, Public Relations, and Fundraising Committee, when applicable and permissible according to Policy 900.3;
- 4) Ex-officio members shall include the Executive Director and the Director of Development of PCCS.

The gift acceptance committee is charged with the responsibility of reviewing all gifts made to PCCS, properly screening and accepting those gifts, and making recommendations to the board on gift acceptance issues when appropriate.

VI. Types of Gifts

The following gifts are acceptable:

- Cash.
- Tangible Personal Property.
- Securities.
- Bargain Sales.
- Life Insurance.
- Charitable Remainder Trusts.
- Charitable Lead Trusts.
- Retirement Plan Beneficiary Designations.
- Bequests.
- Life Insurance Beneficiary Designations.

The following criteria govern the acceptance of each gift form:

- 1) **Cash.** Cash is acceptable in any form. Checks shall be made payable to PCCS and shall be delivered to the Director of Development and Event Planning in PCCS's administrative offices.
- 2) **Tangible Personal Property.** Tangible personal property includes art, furniture, coin and stamp collections, livestock, jewelry, equipment, cars, boats, clothes, and any other personal property item owned by a donor. All other gifts of tangible personal property shall be examined in light of the following criteria:
 - Does the property fulfill PCCS's mission?
 - 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?

The PCCS gift acceptance committee shall make the final determination on the acceptance of other tangible property gifts.

- 3) **Securities.** PCCS can accept both publicly traded securities and closely held securities.

Publicly Traded Securities. Marketable securities may be transferred to an account maintained at PCCS's brokerage firm or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Finance Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instances the final determination of the acceptance on the restricted securities shall be made by the gift acceptance committee of PCCS.

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 liability companies, or other ownership forms, can be accepted subject to the approval of the gift acceptance committee of PCCS. However, gifts must be reviewed prior to acceptance to determine:

- There are no restrictions on the security that would prevent PCCS from ultimately converting those assets to cash;
- The security is marketable; and
- The security will not generate any undesirable tax consequences for PCCS.

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 acceptance of the gift. The gift acceptance committee of PCCS and legal counsel shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

- 4) **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, PCCS shall require an initial environmental review of the property to ensure that the property has no environmental damage. Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, PCCS 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 PCCS 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 gift acceptance committee of PCCS and by PCCS's legal counsel. Criteria for acceptance of the policy shall include:

- Is the property useful for the purposes of PCCS?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?
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- 5) **Remainder Interests in Property.** PCCS 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, PCCS may use the property or reduce it to cash. Where PCCS 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.

- 6) **Bargain Sales.** PCCS will enter into a bargain sales agreement in instances in which the bargain sale furthers the mission and purposes of PCCS. All bargain sales must be reviewed and recommended by the gift acceptance committee and approved by the board of directors. Factors used in determining the appropriateness of the transaction include:

- PCCS may obtain an independent appraisal substantiating the value of the property.
- If PCCS assumes debt with the property, the debt ratio must be considered.
- PCCS must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
- PCCS must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

- 7) **Life Insurance.** PCCS 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 further premium payments, PCCS 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, PCCS may:

- continue to pay the premiums;
- convert the policy to paid up insurance; or
- surrender the policy for its current cash value.

- 8) **Charitable Remainder Trusts.** PCCS may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the gift acceptance committee of PCCS. PCCS will not accept appointment as trustee of a charitable remainder trust.
- 9) **Charitable Lead Trusts.** PCCS may accept a designation as income beneficiary of a charitable lead trust. The board of PCCS will not accept an appointment as Trustee of a charitable lead trust.
- 10) **Retirement Plan Beneficiary Designations.** Donors and supporters of PCCS will be encouraged to name PCCS as beneficiary of their retirement plans. Such designations will not be recorded as gifts to PCCS 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) **Bequests.** Donors and supporters of PCCS will be encouraged to make bequests to PCCS under their wills and trusts. Such bequests will not be recorded as gifts to PCCS 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.
- 12) **Life Insurance Beneficiary Designations.** Donors and supporters of PCCS will be encouraged to name PCCS as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to PCCS 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.

VII. Miscellaneous Provisions

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

all gifts made to PCCS. When a confirming appraisal is necessary, it shall generally be an expense of the donor.

Valuation of gifts for development purposes. PCCS will record a gift received by PCCS at its valuation for gift purposes on the date of gift.

Responsibility for IRS Filings upon sale of gift items. The gift acceptance committee of PCCS is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by PCCS when the charitable deduction value of the item is more than \$5,000. PCCS must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

Acknowledgement and recognition of gifts. Acknowledgement of all gifts made to PCCS and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the board of PCCS. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* are attached to these policies as an Appendix.

The Director of Development of PCCS is responsible for coordinating appropriate and timely acknowledgement of all gifts. Acknowledgement of all gifts will occur within 10 business days of gift receipt.

When donations are made by companies or foundations, public acknowledgement may be provided based upon the preferences of the donor. When donations are made by family members of current PCCS students, such donations shall remain confidential to the extent practicable; public acknowledgement of such donations may only be provided when the donor requests such acknowledgement to be made. PCCS recognizes that some donors may wish to keep their identities confidential; however, PCCS recognizes that complete confidentiality cannot be maintained regarding donations. PCCS may be required to disclose the identity of donors on tax forms consistent with the requirements of the Internal Revenue Code and its regulations as well as other federal and state laws. PCCS shall comply with all applicable state and federal laws, including, without limitation, applicable nondiscrimination laws, in the implementation of this Policy and its Procedures.

Donors will be recognized in an appropriate manner. Recognition and benefits may include, but not be limited to, recognition in publications, special plaques, assignment of named gift opportunities, and donor recognition events.

The Executive Director is authorized to promulgate Procedures to implement this Policy. The Procedures shall include, but not be limited to, the specific procedures for solicitation and for training of staff and volunteer solicitors.

VIII. Changes to Gift Acceptance Policies

This policy has been reviewed and accepted by the gift acceptance committee of PCCS. The Board of Directors of PCCS must approve any changes to, or deviations from, this policy.

IX. Attachments

- A. *Model Standards of Practice of the Charitable Gift Planner.*
- B. Environmental Inspection Forms.
- C. IRS Form 8283 and Filing Instructions.
- D. IRS Form 8282 and Filing Instructions.
- E. IRS Publication 561 *Determining the Value of Donated Property.*
- F. IRS Publication 526 *Charitable Contributions.*

Adoption Date: 11 November, 2005
Amended: 18 May, 2010

Prairie Crossing Charter School
Board of Director's Policy

Policy # 900.3

Development and Community Relations.

Maintenance and Accountability of Donor Records

The Director of Development shall oversee the receipt of all donations. He or she will maintain a log of the donors, amounts and sources (i.e. check number, cash or stock information) stamp checks "for deposit only" to the designated account, and turn all donations and preliminary records over to the Business Manager for processing and verification.

The PCCS Business Manager shall open and review bank statements for all accounts to verify accuracy of deposits.

The Business Manager, Director of Development, Executive Director, Administrative Assistant, and Board Treasurer may routinely have access to donor information. Board Members, in their duties related to fundraising and the cultivation of and stewardship of donors, may access information about a specific gift and donor as a consequence of their role. Other exceptions will be made only for the School's auditors and attorneys who may need information to complete their required duties.

The Executive Director and Director of Development shall make decisions impartially and without regard for the record of giving established by any parent or constituent of Prairie Crossing Charter School

Adoption Dates: 19 October 2008

Amended: 18 May 2010

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**Advertising and Distributing Materials at Prairie Crossing Charter School
that Are Provided by Non-School Related Entities**

In recognition that education occurs both at school and through activities outside of school; to assure collaborative relationships between students' families, the Board, and school personnel; and to help parent(s)/guardian(s) become active partners in education, the school will distribute information from sources outside the school as set forth below.

No material or literature shall be posted or distributed that would: (1) disrupt the educational process, (2) violate the rights or invade the privacy of others, (3) infringe on a trademark or copyright, or (4) be defamatory, obscene, vulgar, or indecent. Community, educational, charitable, recreational, or similar groups may, under procedures established by the School Director, advertise events pertinent to students', staff's, or parents' interests or involvement. It is preferred that such communications occur via the school's email communication with parents. However, this also may include displaying posters in areas at the school, having flyers distributed to students, or being included in the school's website where appropriate. All material and literature must be approved by the School Principal; be oriented toward the students, staff, or parents; and have the sponsoring organization's name prominently displayed. Commercial companies may purchase space for their advertisements in or on: (1) athletic, theater, music, and event programs, (2) scoreboards, or (3) other appropriate location, provided the advertisements are consistent with administrative procedures and approved by the Prairie Crossing Charter School Board.

No part of the school, including facilities, the name, the staff, and the students, shall be used through action of the school for advertising or promoting the interests of any commercial company except as authorized by and consistent with any applicable Board policy and administrative procedures. This shall not be construed to prevent a staff member or student from wearing apparel that fits within the school's dress code and that promotes a commercial company or product.

Material from candidates and political parties will not be accepted for posting or distribution except when used as part of the curriculum.

**Prairie Crossing Charter School
Statement of Outreach Plan**

Outreach to LEP Populations:

Prairie Crossing Charter School's enrollment information as well as general information about the school has been translated into Spanish. Enrollment packets are now available at the school in Spanish and these will be posted on the website before December 31, 2003. Additionally, important policies such as the revised transportation policy, the fee waiver policy, and the volunteer policy are being translated and will be posted on the website before December 31, 2003. These will be included in the material supplied to prospective applicants.

We will be providing information about enrollment at the beginning of January (when all of our enrollment information is published) to the following local newspapers that have Spanish outlets: News-Sun, Lakeland Newspapers, Pioneer Press, Daily Herald, Chicago Tribune, Exito, La Raza, Extra Publications, El Dia, Spanish Journal, EFE News Service, Oye, Vision News, and El Imparcial. We also will contact radio stations WIND-AM, WKRS-AM, WONX-AM, WXLC-FM, WLEY-FM, and WRTE-FM. We will also be making presentations at numerous day care centers, particularly those in highly Spanish speaking communities.

We are compiling a list of Spanish speaking staff members. This list will be kept in the PCCS office so that one of them can be contacted whenever communication with a family in Spanish is needed. We also are compiling a list of Spanish speaking families whose children attend PCCS and who are willing to speak with incoming families who are Spanish speaking. These families will be available to help incoming families feel welcome, answer their questions, and provide explanations about school policies and procedures. These families can also help in presentations about PCCS to the community.

Outreach to Low Income Populations:

Prairie Crossing Charter School's enrollment information will be distributed to area day care centers, particularly in low income areas. Additionally, presentations will be made at these day care centers in January to make sure parents are aware of the opportunity for their children to attend PCCS. PCCS will make sure that important policies such as the transportation policy, fee waiver policy, and volunteer policy are included in all materials and presentations so that families understand that they are not excluded from the school for monetary reasons.

We will provide information on Prairie Crossing Charter School to the following community agencies in the area that work with low income families and families of at-risk children: Family Service Agency of North Lake County (Waukegan), Familycare of Illinois (Vernon Hills), Illinois Employment and Training Center (Waukegan), The Allendale Association (Lake Villa), Big Brothers/Big Sisters of Lake County (Gurnee), and Lake Shore Family Service (Waukegan). We will continue to look for other community agencies through which to disseminate information about the school as well.

Adopted: December 22, 2003