

THE HILLSIDE SCHOOL

Gift Acceptance Policy

The Hillside School solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. The Hillside School recommends that prospective donors seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The Hillside School maintains the right to refuse any gift that is deemed to be in conflict with its mission and policies.

I. Acceptance of Gifts

The following guidelines govern acceptance of gifts made to The Hillside School for the benefit of any of its operations, programs or services:

- A. The Hillside School, Macungie, PA solicits and accepts gifts that are consistent with its mission and the terms of this policy.
- B. Donations will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities.
- C. In the course of its regular fundraising activities, The Hillside School will accept donations of money, real property, personal property, stock, and in-kind services.
- D. Decisions to solicit and/or accept potentially controversial gifts will be made by the Executive Committee of the Board of Trustees in consultation with the Head of School and Director of Development and Communications. The primary consideration will be the impact of the gift on the School.

II. Gifts to Individual Employees or Student Classrooms

On occasion donors may wish to demonstrate appreciation for a child's progress through gifts to an individual teacher, staff member or to the classroom.

- A. Gifts made to individual employees or to student classrooms are subject to limitations that are reviewed annually and published in the Student and Parent Handbook, and the Employee Handbook. Donors are advised that gifts to individuals are not tax-deductible.
- B. Gifts above a "nominal value" are subject to prior review by the Head of School and may involve the Board of Trustees' approval. The Executive Committee will define this value annually.

III. Prior Review

Certain types of gifts must be reviewed prior to acceptance due to the special liabilities they may pose for The Hillside School. Examples of gifts that will be subject to review include gifts of real property, gifts of personal property, and gifts of securities.

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When considering whether to solicit or accept gifts, The Hillside School will consider the following factors:

- A. Values—whether the acceptance of the gift supports or compromises any of the core values of The Hillside School
- B. Compatibility—whether there is compatibility between the intent of the donor and The School’s use of the gift
- C. Public Relationships—whether acceptance of the gift may enhance or compromise the reputation of The Hillside School
- D. Primary Benefit—whether the primary benefit is to The Hillside School
- E. Consistency—is acceptance of the gift consistent with The School’s mission, policies and prior practice?
- F. Form of Gift—is the gift offered in a form that The Hillside School can use without incurring substantial expense or difficulty?
- G. Effect on Future Giving—will the gift encourage or discourage future gifts?

IV. Restrictions on Gifts

The Hillside School encourages donors to give freely and trust The School to use the gifts as it sees fit. Donors who wish to designate a particular purpose or use for their donation need to understand that The Hillside School will not accept gifts that:

- A. would result in The Hillside School violating its corporate charter
- B. would result in The Hillside School losing its status as an IRC § 501(c)(3) not-for-profit organization
- C. are too difficult or too expensive to administer in relation to their value
- D. would result in any unacceptable consequences for The Hillside School
- E. are for purposes outside of The Hillside School’s mission
- F. place unreasonable restrictions on the use, maintenance or management of the gift, as determined by the Executive Committee

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee of the Board of Trustees, in consultation with the Head of School and the Director of Development and Communications.

Gifts from donors’ estates, unless otherwise restricted by the donor, shall become a part of the unrestricted revenue of The Hillside School. The Board may determine that gifts, or portions thereof, may be added to the endowment.

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V. Gifts Generally Accepted Without Review

- A. *Unrestricted Cash.* Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must follow procedures determined by The School's Business Office.
- B. *Unrestricted Marketable Securities.* Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by The Hillside School's Investment Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Executive Committee.
- C. *Unrestricted Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.* Donors are encouraged to make bequests to The Hillside School under their wills, and to name The Hillside School as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- D. *Unrestricted Charitable Remainder Trusts.* The Hillside School will accept designation as a remainder beneficiary of charitable remainder trusts.
- E. *Unrestricted Charitable Lead Trusts.* The Hillside School will accept designation as an income beneficiary of charitable lead trusts.

VI. Gifts Subject to Prior Review

Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

- A. *Tangible Personal Property.* The Executive Committee shall review any gifts of tangible personal property in light of the following considerations:
 - 1. Does the property further the organization's mission?
 - 2. Is the property marketable?
 - 3. Are there any unacceptable restrictions imposed on the property?
 - 4. Are there any carrying costs for the property for which the organization may be responsible?
 - 5. Is the title/provenance of the property clear?
- B. *Life Insurance.* The Hillside School will accept gifts of life insurance where The Hillside School is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- C. *Real Estate.* All gifts of real estate are subject to review by the Executive Committee. Prior to acceptance of any gift of real estate, The Hillside School shall require, at donor's expense, an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, The Hillside School may require, at

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donor's expense, a qualified environmental firm to conduct a more complete environmental audit.

Criteria for acceptance of gifts of real estate include:

1. Is the property useful for the organization's purposes?
 2. Is the property readily marketable?
 3. Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
 4. Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
 5. Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
- D. Any gift subject to restrictions.

VII. Use of Legal Counsel

The Hillside School may seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel may be appropriate for:

- A. Gifts of securities that are subject to restrictions or buy-sell agreements
- B. Documents naming The Hillside School as trustee or requiring The Hillside School to act in any fiduciary capacity
- C. Gifts requiring The Hillside School to assume financial or other obligations
- D. Transactions with potential conflicts of interest
- E. Gifts of property that may be subject to environmental or other regulatory restrictions