

CGAA Gift Acceptance Policy

Approved by Board of Directors on 16 December 2024

GENERAL

The Coast Guard Aviation Association (CGAA) welcomes the offer of gifts that support the pursuit of its mission. The CGAA Development Committee (the “Development Committee”) seeks to further the mission of CGAA through the solicitation, acceptance, and administration of gifts of various kinds. In pursuing and facilitating such gifts, the Development Committee shall maximize the benefit to CGAA by acting in accordance with the policies established herein and shall foster and steward relations to make the experience of donors as rewarding as possible.

All fundraising programs shall be conducted in a manner that does not conflict with CGAA policies and that protects the interests of CGAA. To the extent possible, the interests of each donor shall be protected and CGAA shall not knowingly enter any arrangement which would jeopardize the donor’s interest or contradict the donor’s intent.

Gifts shall be made to CGAA (not to an individual) and shall be consistent with IRS rules and regulations governing charitable gifts. The Development Committee, in the management and reporting of gifts to CGAA, shall be guided by commercially accepted standards of accounting and reporting. The Development Committee shall provide annual fundraising reports to the CGAA Board of Directors (the “Board of Directors”).

Gifts to the Coast Guard Flight Surgeon’s Henry M. Jackson Education Fund are subject to a separate gift acceptance policy and not subject to the terms herein.

TYPES OF GIFTS

The acceptance of the following gifts are subject to Development Committee approval:

- Securities (e.g., stocks, bonds, mutual funds)
- Gifts-in-kind (e.g., artifacts, cultural property, and other tangible property/assets)
- Life insurance policies (i.e., irrevocable ownership transferred to the Association)
- Bequests
- Life Insurance Proceeds (upon death of donor)

The receipt of cash gifts (e.g. outright gifts of cash, checks, credit cards, electronic funds transfers and payroll deductions) do not require such approval.

INFORMATION ON PROPOSED NON-CASH GIFTS

Should gift approval be required, the CGAA shall obtain the following information, as applicable:

- Description of the asset
- Purpose of the gift
- Estimated fair market value
- Income, expenses, encumbrances and carrying costs
- Environmental risks or problems
- Special arrangements for disposition requested by the donor

DETERMINATION OF GIFT ACCEPTANCE

The CGAA Vice President of Development will review the collected information and present it to the Development Committee for approval if the acceptance of the gift is believed to be appropriate pursuant to the terms of this policy and applicable law. Other CGAA officers and/or professionals may be consulted at the discretion of the Vice-President of Development.

The acceptance of non-cash gifts and the negotiation and development of terms and conditions under which such non-cash gifts can be accepted is to be coordinated through the Board of Directors (or designated staff or committee) and the donor and/or donor's agent. The final decision to accept or decline a gift is subject to the approval of a majority of the directors of the Board of Directors.

In evaluating non-cash gifts for acceptance, the Board of Directors will endeavor to ensure that:

- The proposed gift is consistent with the CGAA's policies and guidelines;
- The donor's intent and direction is understood, documented and consistent with CGAA objectives and priorities;
- The gift does not expose the organization to a potentially significant liability, as determined by the Board;
- If precedent-setting or sensitive issues are present, they are adequately assessed by the Board of Directors; and
- The proposed gift has received the appropriate Board review and approval.

Indicators that a gift is acceptable include:

- The transfer of cash or other assets must be unconditional;
- The CGAA has a use or need for the gift or, when there is no immediate need, the gift is marketable;
- The gift is non-reciprocal, which means there must be no implicit or explicit statement of exchange, purchase of services or provision of exclusive information to the donor in exchange for his or her gift;
- The gift and its accompanying terms are legal;
- The purpose of the gift is in furtherance of CGAA's mission;
- The size and/or benefit of the gift are proportionate to the work or cost required to support or sustain that gift;
- There does not appear to be a physical hazard or liability concern associated with the gift
- Restrictions on the gift are acceptable; and
- Ownership of all gifts directed to the CGAA vests in CGAA, whether said gifts are for the benefit of the Association generally or for some specific purpose.

The CGAA reserves the right to decline a gift or seek to revise the terms upon which such gift is received for any reason. The CGAA will not accept gifts that:

- Violate any international, federal, state or municipal law;
- Compromise director, association or member integrity or interfere with the CGAA's judgment;
- As a condition thereof, require any action on the part of directors or staff which is unacceptable to the Board of Directors or violates CGAA policies and regulations;
- Contain unreasonable conditions;
- Are financially unsound or that would expose the CGAA to liability or embarrassment;
- Rely on an appraisal or evaluation provided to the donor by third parties that is perceived

- to be inaccurate or unreliable;
- Commit the CGAA to name an endowment fund, without prior approval of the Board of Directors;
 - Require or stipulate the future employment at CGAA of any specified person or doing business with any specified company or person;
 - Are gifts of partial interest in property, unless the CGAA agrees otherwise; or
 - Could result in a donor's exercise of undue control over the use of the donated funds.

TREATMENT OF ACCEPTABLE GIFTS

- **Cash:** Gifts in the form of cash, checks, wire transfers and ACH transactions may be accepted as long as they conform to the Gift Acceptance Policy. Gifts will be credited and receipted to the legal donor. Recognition credit can be provided as appropriate. Checks are to be made payable to the CGAA. In no event shall a check be made payable to an employee, agent or volunteer who represents CGAA.
- **Bequests and Estates:** Donors interested in discussing a potential bequest should contact the Development Committee. Realized bequests which adhere to the Gift Acceptance Policy may be accepted. The CGAA reserves the right to disclaim certain assets proposed for distribution from an estate. Gifts will be credited and receipted to the legal donor. Recognition credit can be provided as appropriate. Checks are to be made payable to the CGAA. In no event shall a check be made payable to an employee, agent or volunteer who represents CGAA. Executors and attorneys in the process of distributing estates should contact the CGAA.
- **Gifts-In-Kind:** All gifts-in-kind except for marketable securities require a Deed of Gift form.
 - Gifts-In-Kind with a value less than \$5,000 shall be recorded on the Association's financial records at the donor's estimated value or at fair market value if independent verification of that value is provided. Independent verification may include written qualified independent appraisal of the donated property in accordance with IRS regulations, a vendor's invoice indicating the item's cost to the vendor in order to substantiate the fair market value of the goods donated or the donor's original purchase price.
 - Gifts-In-Kind with a value exceeding \$5,000 shall be recorded on the Association's financial records at the appraised value. The Development Committee shall request the donor to provide a copy of the qualified written appraisal of the donated property in accordance with IRS regulations to substantiate the fair market value of the goods donated.
- **Marketable securities:** Securities which are traded on any recognized domestic exchange or over-the-counter market or redeemable directly from the issuer and are readily marketable may be accepted by CGAA and, if accepted, immediately sold/redeemed. In the case of a multimillion-dollar donation of securities, the Treasurer may choose to extend the timeline for liquidating the assets to ensure an orderly transaction. Securities gifts will be valued for recognition value and for CGAA records based on the fair market value on the date the Association takes possession of the security, in accordance with IRS

regulations.

- **Tangible personal property:** Gifts of tangible personal property (books, paintings, aviation artifacts, etc.) can be accepted if they further the mission of the CGAA. The Development Committee may, at its discretion, choose to accept a gift of tangible personal property that is readily marketable or that is significant to the history of Coast Guard aviation.
- **Gifts of services:** Gifts of services, while often considered helpful to the mission of the CGAA, are not considered charitable gifts by the IRS and cannot be recorded or receipted by the Association.
- **Gifts of art:** Gift of art will be evaluated by the Development Committee, which will consider the quality of the work, its appropriateness to CGAA's mission, and its history of legal ownership.
- **Life insurance:** Subject to Development Committee approval, the CGAA may accept gifts of life insurance as long as CGAA is named as owner and beneficiary of the policy and the policy has a paid-up cash-value adequate to keep the policy in-force through the life-expectancy of the insured or policy term.
- **Matching Gifts:** CGAA accepts gifts from companies which sponsor matching gift programs for their employees or former employees. Any matching gift received is used for the same purpose as the original gift unless limitations are imposed by the issuing company/foundation that prohibit an identical use.

GIFT ADMINISTRATION

Endowed Funds General Information: Endowed funds are held in perpetuity, with the principal invested for long-term growth. The use of the income from endowed funds may be either unrestricted or restricted to a specific purpose. Income is determined by a spending policy set by the Board of Directors and reviewed annually. Use of the income must meet the restrictions set forth in the fund description, which should be as broad as possible to accomplish the purpose of the gift. All new or updated fund agreements shall include the CGAA contingency clause which provides the Board of Directors the power to modify fund agreements should they become impractical to administer in the future.

Income which is not used during one year will accumulate for use in the future unless the gift instrument dictates otherwise. For example, a fund which generates \$5,250 per year will accumulate about \$15,750 if not used for three years. That amount may be used to pay a particularly significant expense.

Reaching the Endowed Fund Minimum: The minimums to establish a named endowed fund at CGAA are set by the Board of Directors. If a donor is interested in reaching the fund minimum over time, a statement of intent form must be completed at the time of the initial gift. This statement of intent is to be approved as part of the fund agreement. The CGAA will not accept new endowments where fundraising is required to reach the fund minimum.

Expendable Funds: Expendable Funds are those funds that will be expended over a set time period, often one to three fiscal years. The minimums to establish a named expendable fund are set by the

Board of Directors. Any requested named expendable fund not addressed in this policy will be determined commensurate with the nature of the program/scholarship to be supported and will require the approval of the Development Committee after consultation with the Board of Directors.

Naming Guidelines: CGAA naming guidelines are established and reviewed by the Board of Directors.

Gift Date Policy: CGAA does not record a gift date for contributions received. CGAA records a date processed to reflect when the Association has taken possession of the asset and recorded it for our internal purposes. Donors are encouraged to consult their personal tax advisor for guidance on how to record a gift for tax deduction purposes.

PLEDGE POLICIES

For pledges of \$25,000 or greater, the CGAA requires a written Statement of Intent (or similar written documentation) signed by the donor, which includes a specific dollar amount, gift designation(s) and fixed time schedule.

For pledges under \$25,000 email documentation with the donor or some other non-signed documentation (like direct mail reply form or staff documentation of a conversation) is considered sufficient.

CHARITABLE TAX RECEIPTS

The CGAA will comply with regulations of the Internal Revenue Service for issuing tax receipts. The CGAA will not issue a charitable tax receipt when:

- The donor receives a direct personal benefit under the arrangement;
- The donor has signing authority over the use of the funds;
- The use of the funds is restricted to specific named individuals;
- Proprietary rights entitlement accrues to the donor through the use of the funds.

Donors will be informed that should the Internal Revenue Service deem the donor to have received a direct benefit, an individual's charitable tax credit will be denied.

DISPOSITION OF GIFTS IN KIND

In the case of gifts-in-kind, unless otherwise agreed, the CGAA may dispose of gifts under the following guidelines:

- The proceeds of a sale of the asset will benefit CGAA's programs and activities for whose benefit the gift was originally given.
- In the absence of such a beneficiary, the Board of Directors will direct the use of the proceeds.
- On the completion of a project or program for which gifts had been received, those gifts will be disposed or re-allocated.

POLICY ON CONFIDENTIALITY OF INFORMATION

CGAA is committed to protecting the privacy of people whose personal information is held by the Association through responsible information management. This includes information on members that is held by the CGAA. Confidential information about CGAA members as well as confidential association information in oral form or on digital or print media is protected to foster a trusting

relationship between potential donors and the Association. In response to this trust, the CGAA requires adherence to the CGAA's bylaws and particularly its statement of confidentiality. This policy applies to all CGAA members who assist in the CGAA's fund-raising mission. Each person with access to confidential information is personally responsible for the protection of information.