The Valley of the Sun YMCA (hereinafter referred to as the YMCA), a not for profit organization organized under the laws of the State of Arizona, encourages the solicitation and acceptance of gifts to the YMCA for the purposes that will help the YMCA to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the YMCA for the benefit of any of its programs.

PURPOSE:
The Metro Board of Directors, various Branch Boards, and its staff solicit current and deferred gifts from individuals, corporations and foundations to secure the future growth and mission of the YMCA. These policies and guidelines govern the acceptance of gifts by the YMCA and provide guidance to prospective donors and their advisors when making gifts to the YMCA. The provisions of these policies shall apply to all gifts received by the YMCA for any of its programs and services.

MISSION:
To put Christian principles into practice through programs that build a healthy spirit, mind and body, for all.

YMCA’s USE OF LEGAL COUNSEL
The YMCA shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel shall be required for:

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Documents naming the YMCA a Trustee.
3. Gifts involving contracts, such as bargain sales or other documents requiring the YMCA to assume an obligation.
4. Transactions with potential conflict of interest that could potentially result in IRS sanctions.
5. Other instances in which use of counsel is deemed appropriate by the CEO, Chief Development Officer or Board of Directors.

FOCUS ON DONOR RIGHTS:
The YMCA 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. The YMCA will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Association of Charitable Gift Planners https://info.charitablegiftplanners.org/hubfs/Education/Model%20Standards.pdf and endorses the Association of Fund Raising Professionals Donor Bill of Rights http://www.afpnet.org/files/ContentDocuments/DonorBillofRights.pdf


**PRACTICE:**

**RESTRICTIONS ON GIFTS**
The YMCA 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. The YMCA will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the YMCA’s corporate charter, gifts that are too difficult to administer or gifts that are for purposes outside the mission of the YMCA.

All restricted gift agreements between the YMCA and the donor will be reviewed by YMCA’s Chief Development Officer and, as the Chief Development Officer deems appropriate, legal counsel.

**TYPES OF GIFTS**
The following gifts are acceptable:

1. **Cash:** Cash is acceptable in any form. Checks should be made out to the Valley of the Sun YMCA and shall be delivered to the Financial Development Office at Association Services or any Branch location. Acceptance of any currency other than US. Currency, including international currencies, digital currency, digital cash, virtual currency, electronic currency, or cryptocurrency such as bitcoin, shall not be accepted without the prior approval of the Chief Development Officer and the Chair of the Financial Development Committee. Wire transfers are accepted upon request. Contact the Financial Development office.

2. **Tangible Personal Property:** All gifts of tangible personal property shall be examined in light of the following criteria:
   a. Does it fulfill the mission of the YMCA?
   b. Is the property marketable and/or useable?
   c. Are there any undue restrictions on the property?
   d. Are there any carrying costs for the property?
   e. Does it adhere to IRS and state donation acceptance and reporting requirements and valuation criteria?

   All gifts of tangible personal property worth over $500.00 need prior approval by the Branch Executive. All gifts of tangible personal property over $1,000.00 need prior approval of the Chief Development Officer.

3. **Bequests:** Donors are encouraged to make bequests to the YMCA in their wills and trusts. Such designations will not be recorded as gifts to the YMCA until such time as the gift is irrevocable.

4. **Securities:** The YMCA can accept both publicly traded securities and closely held securities, provided that any offered donation of restricted publicly traded securities and closely held securities shall be reviewed by YMCA legal counsel and/or a securities expert before acceptance.
   a. Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms 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 directed by the Metro Board of Directors. In some cases marketable securities may be restricted by applicable securities laws. In such instance, the final
determination on the acceptance of restricted securities shall be made by the Metro Board of Directors with the advice of a securities expert.

b. Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in S Corp, LLPs and LLCs or other ownership forms, may be accepted subject to the approval of the Metro Board of Directors, with the advice of a securities expert.

5. Retirement Plan Beneficiary Designations: Donors are encouraged to name the YMCA as beneficiary or contingent beneficiary of their retirement plans. Such designations will not be recorded as gifts to the YMCA until such time as the gift is irrevocable.

6. Life Insurance Beneficiary Designations: Donors are encouraged to name the YMCA as beneficiary or contingent beneficiary of their life insurance policies. Such designations will not be recorded as gifts to the YMCA until such time as the gift is irrevocable.

The YMCA may also accept irrevocable ownership of a life insurance policy (and/or designation as a life insurance policy beneficiary.) The gift is valued at its interpolated terminal value, or cash surrender value, upon receipt in accordance with current tax law. If the donor continues future premium payments, the YMCA 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, the YMCA may:
   a. Continue to pay the premiums
   b. Convert the policy to paid up insurance
   c. Surrender the policy for its current cash value

7. Real Estate: Gifts of real estate may include developed property, undeveloped property or gifts subject to a prior life interest. Gifts of time shares will not be accepted. Prior to acceptance of real estate, the YMCA shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the YMCA 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.

Prior to the acceptance of the real estate, the gift shall be approved by the Metro Board of Directors and by the YMCA’s legal counsel.

8. Remainder Interests in Real Property (Life Estates): The YMCA may accept a remainder interest in a personal residence, farm or vacation property subject to the provisions of gifts of real estate above. The donor or other occupants may continue to occupy the real estate property for the duration of the stated life. At the death of the life estate beneficiary, the YMCA may use the property or reduce it to cash. Where the YMCA receives a gift of a remainder interest, the YMCA will execute a legally binding agreement assuring expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor or primary beneficiary.

9. Bargain Sales: The YMCA may enter into a bargain sale arrangement when appropriate. In addition to the provision required for gifts of real estate, factors used in determining the appropriateness of the transaction include:
a. An independent appraisal substantiating the value of the property.
b. If the YMCA assumes debt with the property, the debt ratio must be less than 50% percent of the appraised market value.
c. The YMCA must determine that it will use the property, or that there is a market for sale of the property allowing sale within 6 months of receipt.
d. The YMCA must calculate the costs to safeguard, insure, and expense the property (including property taxes, if applicable) during the holding period and pro rate those expenses between the parties based on ownership between the Y and donor.

10. Charitable Remainder Trusts: The YMCA may accept designation as a remainder beneficiary of a charitable remainder trust. The YMCA will not accept appointment as Trustee of a charitable remainder trust.

11. Charitable Lead Trusts: The YMCA may accept a designation as income beneficiary of a charitable lead trust. The YMCA will not accept an appointment as Trustee of a charitable lead trust.

12. Charitable Gift Annuities: The YMCA may accept Charitable Gift Annuities upon the prior written approval of the Chief Development Officer.

ENDOWMENT SPENDING GUIDELINES:
Subject to the intent of a donor expressed in a gift instrument, in making the determination to appropriate expenditure of endowment funds, the Valley of the Sun YMCA Board of Directors will act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

a. The duration and preservation of the endowment funds;
b. The purposes of YMCA and its endowment funds;
c. General economic conditions;
d. The possible effect of inflation or deflation;
e. The expected total return from income and the appreciation of investments;
f. Other resources of YMCA; and
g. YMCA’S investment policy.

Windfall: At times, the Valley of the Sun may receive windfall donations (an unexpected, unusually large amount of cash or other valuable gift). Such gifts will be treated in accordance with any donor instructions acceptable to the Valley of the Sun YMCA. If no instructions by the donor are provided, such gifts will be either placed into the endowment or spent in accordance with this Policy and in furtherance of the Valley of the Sun YMCA’s mission.

MISCELLANEOUS PROVISIONS

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

2. Valuation of gifts. The YMCA will use consistent methods for recording gifts for financial development purposes and accounting purposes and follow defined gift criteria in the IRS code, and FASB rules.
3. Gift Acknowledgement and Management: The acknowledgement and management of all gifts made to the YMCA will comply with current IRS and local requirements and shall be the responsibility of the Financial Development Office.
   a. Responsibility for IRS Filings upon sale of gift items: The YMCA is responsible for filing the relevant IRS Form(s) upon the sale or disposition of any asset in accordance with IRS rules and regulations.
   b. Confidentiality: The YMCA will maintain the highest confidentiality standards for all donor files. Information in donor files may only be used for YMCA purposes.
   c. YMCA Donor List: The YMCA will not sell, rent or otherwise authorize the use of its donor list to any individual or organization.
   d. Discontinuing Contact for Solicitation upon Request: The YMCA will take active measures to discontinue contacting any person upon that person’s oral or written request directed to the YMCA, its professional fundraiser, or other agent.

CHANGES TO GIFT ACCEPTANCE POLICIES
These policies and guidelines are reviewed and updated at least annually by recommendation of the Financial Development Committee to the Metro Board of Directors and by a vote upon that recommendation of the YMCA’s Metro Board of Directors.

Approved by the Board of Directors:

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