GIFT ACCEPTANCE POLICY

Document Information

Effective Date	NA
Last Revised & Approved	May 29, 2026

PURPOSE

The purpose of this Gift Acceptance Policy is to provide Phi Kappa Phi's management, staff, and volunteers with guidelines that enable them to assist prospective donors, their families, and advisors in making gifts to The Honor Society of Phi Kappa Phi ("Phi Kappa Phi"). These guidelines are intended to be both flexible and realistic in order to accommodate unpredictable giving situations and opportunities as well as variability in donor expectations.

Gift Definition

A gift is defined as a voluntary transfer of assets from a person or an organization to Phi Kappa Phi. Gifts are usually in the form of, but are not limited to, cash, securities, real estate, or personal property. Phi Kappa Phi may accept or decline any gift. The following criteria generally identify a gift:

- A gift is motivated by charitable intent.
- Gifts are irrevocable transfers of assets.
- Gifts are not generally subject to an exchange of consideration or other contractual duties between Phi Kappa Phi and the donor, except for certain split-interest gifts as set out in this Policy, although objectives may be stated and funds may be restricted to a specific purpose.
- Donors are not provided formal financial accountings. A general report to the donor stating the use or impact of the gift is appropriate and may be desirable, especially in the case of named endowed gifts.
- Generally, funds received from individuals, closely held corporations, and family foundations will be classified as gifts. Funds received from corporations, corporate foundations, and major foundations will be classified as gifts unless the grant requires performance or other consideration.
- A gift is not completed until it has been accepted by Phi Kappa Phi. Phi Kappa Phi has the right to decline any gift.

Beneficial Impact

The Board of Directors of Phi Kappa Phi encourages and accepts gifts that are beneficial and consistent with its core values and mission, while also meeting the needs and intentions of donors. This policy, together with implementation procedures developed by Phi Kappa Phi staff and approved by the Finance and Budget Committee, provide guidance as to the considerations in determining whether to accept a specific gift.

It is the policy of Phi Kappa Phi to accept gifts that provide a net positive benefit to the organization, considering the gift's value, intended use, and any associated encumbrances, complexities or donor restrictions. Phi Kappa Phi will not accept gifts that:

- do not provide a net positive benefit to the organization;
- are for purposes outside Phi Kappa Phi's mission;
- would compromise Phi Kappa Phi's tax-exempt status;
- would result in unacceptable consequences for Phi Kappa Phi.

Factors to be considered in evaluating the consequences of a gift include:

- consistency with Phi Kappa Phi core values and interests;
- compatibility between donor intent and the use of the gift;
- risk to Phi Kappa Phi's assets;
- effect on the reputation of Phi Kappa Phi, and upon future giving;
- administrative difficulty or expense in relation to value; and
- alignment with prior practice.

Legal and Ethical Considerations

In accordance with the Donor Bill of Rights (Council for Advancement and Support of Education,

November 1993), Phi Kappa Phi is committed to treating donors in a professional, ethical and fair manner, and endeavors to provide materials that educate and inform prospective donors and their advisors about ways to give. Where advisors or counsel employed or retained by Phi Kappa Phi

prepare documents or render advice regarding a donation, they are acting on behalf of Phi Kappa Phi, not the donor. Phi Kappa Phi does not provide tax, financial, or legal advice to donors. The donor remains responsible for obtaining advice from his own legal and financial counsel for the protection of his interests, including tax and estate planning implications, and Phi Kappa Phi strongly encourages donors to do so.

Phi Kappa Phi does not pay fees or commissions to any person as consideration for directing a gift to Phi Kappa Phi, does not compensate any fundraiser based directly on a percentage of funds raised or on a contingent basis, and does not endorse any professional or fiduciary services.

Phi Kappa Phi will manage and invest charitable gifts according to the Uniform Management of Institutional Fund Act ("UPMIFA") as referenced in Louisiana Revised Statute 9:2337.1, effective July 1, 2010.

Finance and Budget Committee

The Board of Directors has authorized the Finance and Budget Committee ("Committee") to manage the gift acceptance policy of Phi Kappa Phi. The Committee may review and approve acceptance of proposed gifts through in-person meetings or electronic means. Approval may be granted by a majority vote. Approval may be granted subject to any conditions deemed appropriate by the Committee.

Gifts Generally Accepted Without Review

- Cash - Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line.
- Marketable Securities - Marketable securities may be transferred electronically to an account maintained at one or more of Phi Kappa Phi's brokerage firms or delivered physically with the transferor's endorsement or

signed stock power (with appropriate signature guarantees). All marketable securities will be sold promptly upon receipt unless otherwise directed by the Board of Directors. 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 Committee.

- Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans - Donors are encouraged to make bequests to The Honor Society of Phi Kappa Phi under their wills, and to name The Honor Society of Phi Kappa Phi as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- Charitable Remainder Trusts – Phi Kappa Phi will accept designation as a remainder beneficiary of charitable remainder trusts.
- Charitable Lead Trusts – Phi Kappa Phi will accept designation as an income beneficiary of charitable lead trusts.
- Life Insurance – Phi Kappa Phi will accept gifts of life insurance where the organization is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owed on the policy.

Gifts Requiring Committee Review and Approval

Acceptance of the following types of gifts requires prior approval by the Finance and Budget Committee:

- real estate
- closely-held and non-publicly traded securities
- unusual types of property (e.g. art collections)
- partial ownership interests (e.g. ownership percentage or subject to retained rights)
- gifts requiring Phi Kappa Phi to act as trustee or in any fiduciary capacity, or to assume financial or other obligations;
- gifts requiring financing or purchase by Phi Kappa Phi (e.g. bargain sale)
- gifts requiring Phi Kappa Phi to retain ownership of the property for a specified time period
- gifts subject to unusual restrictions impacting value, use or ease of administration
- other specific proposed gifts as deemed appropriate by the Committee

Approval of Retention or Contemporaneous Sale

Any donor-imposed condition that the ownership of the donated property be retained by Phi Kappa Phi for a specified time period must be approved by the Committee. At the time of acceptance of certain gifts, a third-party may stand ready to immediately purchase the donated property from Phi Kappa Phi. Under such circumstances, as part of its review of the proposed donation, the Committee is authorized to approve the sale of the donated property if deemed to be in the best interests of Phi Kappa Phi.

Gift Agreements

Gifts that will be directed to a named fund or endowed fund require a gift agreement. The gift agreement must be signed by the donor(s) and the Executive Director of Phi Kappa Phi and is considered a legally binding contract. The gift agreement will outline the following:

- Initial gift amount, if outright
- Estimated gift amount to be realized if a planned gift

- The gift's purpose, including all restrictions and/or preferences
- Investment governance and general administration
- Amendment in case the intended purpose of the gift becomes illegal, impractical, impossible, or inconstant with current programs of Phi Kappa Phi

Named term funds and named endowed funds will be managed by Phi Kappa Phi and spending will be directed as agreed to in the gift agreement. If the intended purpose no longer applies, the Board of Directors will modify the spending portion of the gift to comply with a current program. Every attempt will be made to honor the original intent of the donor(s) as defined in the signed gift agreement.

Policy Review

This Gift Acceptance Policy has been reviewed and approved by the Phi Kappa Phi Board of Directors. The Board's Finance and Budget Committee will periodically review this policy and recommend revisions to the Board of Directors.