

Policy – Gift Acceptance

Policy Area	Donor Services and Development	Policy Number	D3
Approved by the Board	December 2018	Next review date	Nov 2020

Purpose

ACF inspires and encourages accessible philanthropy by enabling donors to establish and build sub-funds through which to support positive social change and build healthy resilient communities. The purpose of this policy is set out for donors the basis on which the Foundation accepts gifts to support them to give effectively.

Policy

The Foundation may accept a variety of gifts, both from living donors and as planned gifts that take effect on a Donor's death. Assets donated to establish, grow or contribute to sub-funds at ACF are irrevocable gifts. They become the Foundation's property and its Board carries the legal responsibility for ensuring that donations are used for charitable purposes.

The Foundation welcomes the following types of outright gifts.

- Cash of any amount (a minimum level is required to establish either a gumnut or named sub-fund).
- Publicly traded shares at fair market values. The board will have full discretion over the sale of any gifted shares.
- Closely held securities (generally held by one or small group of shareholders and not generally traded publicly), subject to review by the Finance committee and approval by the Board.
- Land and buildings, are at the Foundation's discretion they may be sold and/or generate revenue for charitable purposes surplus to any costs.
- Personal property, as long as the items are saleable, and at a value which will offset any costs the Foundation incurs in selling.

The Foundation may also be named as the beneficiary of planned gifts, including:

- Residuary legacies – a gift made of some or all of the remainder of an estate after all other gifts have been handed out and debts paid off.
- A pecuniary legacy – a gift made of a fixed sum of money.
- A specific legacy – a particular named item left as a gift in a will, for example, shares, property, jewellery, furniture or a painting.

The Foundation reserves the right not to accept a gift if the Board determines that for any reason the gift will not generate a net benefit to the community.

Prior to acceptance of any real estate an initial environmental review will be required to ensure that there is no environmental contamination of the property and if there is a problem identified, a full

environmental audit may be required. The cost of the review and audit will be at the expense of the donor.

Following acceptance of any Property (i.e. non-cash) gifts, ACF will issue a receipt to the donor recognising the donation of any Property. At the time of issue, the receipt will not attach any monetary value to the Property. It will be the donor's responsibility to understand the amount eligible to be claimed as a tax deduction in their personal income tax returns.

At ACF's discretion, the value of the gift that is credited to a donor's sub-fund will be the lesser of:

- In the event the asset is retained, the market value of the Property on receipt; or
- The value of the Property upon any subsequent sale

In the event that a valuation is required, this will be undertaken at the Donor's expense. ACF may otherwise rely on a valuation certificate issued by the ATO (if applicable).

Note:

Depending on donors own individual circumstances gifts will likely result in tax implications, including potentially being liable for capital gains tax. Donors should refer to the following ATO publication for further information.

<https://www.ato.gov.au/Non-profit/Gifts-and-fundraising/>

If still unsure, donors should seek advice from a licenced financial and/or tax adviser. ACF does not provide financial advice.