



## **STEWARDSHIP OF GIFTS**

**Policies and Procedures for  
Gift Acceptance, Donor Recognition and Gift Management**

**November 20, 2024  
Revised**

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# THE SAME FOUNDATION STEWARDSHIP OF GIFTS

## Policies and Procedures for Gift Acceptance, Donor Recognition and Gift Management

November 20, 2024  
Revised

### I. Introduction

The Society of American Military Engineers Foundation (sometimes referred to hereafter as the “Foundation” or “SAME Foundation”), was established on March 23, 2016. The Foundation received its 501(c)(3) recognition on November 1, 2016, as a “support organization” to the Society of American Military Engineers (hereafter “SAME” or “Society”), supporting the educational and scientific purposes and missions of SAME. The Foundation is the philanthropic arm of SAME. The strategic plan of the Foundation is the strategic plan of the Society.

The compelling purpose of the Foundation is ***Fostering Engineering Leadership for the Nation***. The Foundation strives to achieve this through financial funding aimed toward the development of engineering leadership, support to STEM education and outreach, support to active duty, retired and transitioning military engineers and support to the security of the Nation.

The Foundation encourages, accepts, and appreciates gifts for its annual fund, corporate fundraising campaigns, grants and other campaigns and initiatives that further its compelling purpose. As a 501 (c) (3) organization, donations to the SAME Foundation are tax deductible as allowed by law. The Foundation will provide oversight and stewardship of donated gifts and as applicable and permitted used in accordance with donor intent.

It is the intention of the SAME Foundation to provide donors with an exceptional experience that includes meaningful gratitude, interactions, and pertinent information on the use of their gifts. It is also the goal of the Foundation to make donating to the SAME Foundation as easy as possible for donors. As stewardship ambassadors, the Foundation Board embraces a philosophy intended to sustain and nurture the SAME Foundation’s relationship with its donors.

These policies and procedures set guidelines of the Foundation and are set forth in three parts. The first part addresses types of gifts that may be accepted by the Foundation. The second part addresses the recognition of donors. Finally, the third part summarizes donorship management and overall stewardship guidelines.

The policies and procedures will be reviewed annually and revised as recommended by the Stewardship Committee and approved by the Board of Directors of the Foundation.

## **II. The Stewardship Team**

**The Foundation Board:** The SAME Foundation is governed by a volunteer Board of Directors (hereinafter the “Board”). The Duties of non-profit Boards are a Duty of Care; a Duty of Loyalty; and the Duty of Obedience. In addition, numerous volunteers assist the Foundation and its Board in carrying out its compelling purpose. Other than the Board and its volunteers, the Foundation, unlike the Society, has no membership.

The Foundation Board has fiduciary, legal, strategic, and fundraising responsibilities, including the responsibilities of planning, developing and implementing the cultivation, solicitation and stewardship of Foundation supporters and funds, and determining and implementing appropriate development and fund management policies. The Foundation Board establishes the policies and programs of the Foundation and exercises all such powers of the Foundation to do all lawful acts and things as are permitted by statute, the Foundation’s articles of incorporation and its own Bylaws.

**Stewardship Committee:** Within the scope of responsibility of the Fundraising Support Division is the Stewardship Committee. The Stewardship Committee consists of members of the Board, one of whom will serve as Chair of the Stewardship Committee and can include volunteers assisting the Board. While stewardship of donations is the responsibility of the entire Board of Directors of the SAME Foundation, and supporting SAME National Staff, the Stewardship Committee oversees fulfillment of this responsibility. This oversight is intended to ensure consistency with the purposes of the Foundation, applicable laws, rules, and regulations and this set of policies and procedures. The Stewardship Committee’s functions are to (1) oversee and commit to donor recognition, (2) oversee the chain of receiving and delivering gifts to the Foundation, (3) oversee the use of donor funds, (4) oversee the reporting of the disposition of gifts and their use to donors, (5) coordinate with the Foundation Board’s Financial Division regarding funds held by the Foundation, and (6) coordinate with the Foundation Board’s Fundraising and Fundraising Support Divisions. Most everything undertaken by the Foundation involves the Stewardship Committee. In fact, every Division and committee within those Divisions is affirmatively responsible for ensuring that its activities are in furtherance of this Stewardship Policy. Put another way, it is not the responsibility of the Stewardship Committee to seek out compliance with the Policy; it is the responsibility of all components to ensure compliance with this Policy.

Overall, The Stewardship Committee is charged with ensuring that the SAME Foundation provides a positive and consistent experience for all donors. The Stewardship Committee will safeguard the interests of all donors as well as the interests of the SAME Foundation and SAME.

**Executive Director:** The Executive Director of the Foundation is the Executive Director of SAME, who also serves ex officio as a member of the Foundation Board. The Foundation Board, its components and its committees are administratively supported by the staff of the national office of SAME. Staff are designated on the Foundation’s organization chart to define the scope of each staff member serving the Foundation Board.

**SAME National Staff:** The SAME National Staff shall assist with and support SAME

Foundation Gift Operations and shall advise the Foundation Board as to the feasibility, risk assessment and benefit to cost of non-monetary gifts. There are currently several types of gifts that are rare, require outside expertise/support, or are risky that the Board would need prioritize as to whether to pursue. The SAME National Staff will advise the Board to accept the kinds of gifts that are feasible, risk managed, cost managed and are consistent with the mission and values of the SAME Foundation. The SAME Foundation is currently in a growing and maturing phase and as such is currently limited in certain areas of non-profit functions capability and capacity from within the SAME Foundation Board and the SAME National Staff. When approved by the Executive Committee, the use of outside professional consultants, advisors, and specialty service providers may be used to support the SAME Foundation Fundraising and Gift Operations functions. To fund the use of Gift Operations outside professional support, and other fundraising and donor recognition costs, the Foundation Executive Committee may authorize the use of up to (1) % of “Unrestricted” Gifts to fund these requirements.

SAME National Staff members and outsourced professionals, advisors and service providers work closely with the SAME Foundation to ensure that gifts are acknowledged in an accurate, timely and meaningful manner, and are appropriately recorded. SAME National Staff, directed by the Foundation Board, see that stewardship reports, other communications, and event invitations are provided to donors to ensure that donors are engaged and informed about the use of their gifts and understand the impact of their philanthropy. SAME National Staff members also work with SAME Foundation leadership, including the Foundation Chair, to provide personalized stewardship and engagement plans for the Foundation’s most generous donors and prospective donors. Examples of specific tasks to be undertaken on behalf of the Foundation by Society National Staff may include, but are not limited to:

- Providing all appropriate expertise and support to the Stewardship Committee to effectively and legally execute the Foundation Stewardship of Gifts Policy and Procedures for Gift Acceptance, Donor Recognition and Gift Management
- Maintaining the books and records of the Foundation including the recording of donations
- Recording gifts and pledges of all donors, regardless of membership, corporate and individual, in membership databases
- Assisting with obtaining and recording matching gifts
- Ensuring integrity of data in the databases, including donor data, contribution amounts, and cumulative contributions by individuals
- Maintaining contact information, salutations, data standards, and uniformity of all donors
- Preparing gift and tax acknowledgement letters to donors
- Recording donor communication preferences, if any
- Recording and ensuring donor requests for anonymity
- Recording stewardship recognitions in the donor databases such as the dates acknowledgement letters are sent
- Preparing donor reports in advance of Foundation Board meetings and otherwise as needed when requested by the Foundation Chair

- Producing year-end giving statements for donors as requested by the Foundation Chair
- Providing lists of donors for post and national event recognitions
- Preparing pledge reminders
- Maintaining the Foundation's webpages (currently at [www.same.org/foundation](http://www.same.org/foundation) )
- Maintaining a calendar of proposed Foundation Board meetings
- Providing gift and fund financial reports for Foundation and SAME leadership
- Assisting the Foundation through efforts to improve the Foundation's charity ratings
- Producing gift financials for stewardship reports to donors
- Monitoring expenditures and revenues on behalf of the Foundation in coordination with the Foundation Chair
- Managing on-line gifts including return receipts
- Assisting with fundraising mailings and events
- Assisting with design and production of fundraising materials
- Assisting with planning and carrying out stewardship donor recognition events
- Preparing and filing Foundation tax returns and annual reports at the local, state and federal levels
- Ensuring state registrations are kept up to date
- Securing outside professionals, advisors and service providers to support Gift Operations when needed and approved

### **III. General Gift Acceptance Policies**

**Restricted and Unrestricted Gifts:** An "Unrestricted" gift is one where no restrictions are placed by the donor on the use of the gift, including by time or to a specific use. "Unrestricted" gifts are donations the Foundation may use for any legitimate purpose. "Unrestricted" gifts are critical as they allow the Foundation to apply the funds where they are most needed. Unless otherwise noted by the donor, any gifts to the Foundation will be considered unrestricted.

While "Unrestricted" gifts are preferred, the Foundation will also seek and accept "Restricted" gifts for its planned giving campaigns, special campaigns and endowment. "Restricted" gifts are ones for which the donor may limit the use of the gift to a particular purpose or project. An example is a gift to a specific event or program, such as a gift specified to be utilized for the Society's STEM summer camps or to a specific camp location.

Restrictions on proposed gifts will be reviewed by the Stewardship Committee prior to acceptance of such gifts. All gifts to the Foundation with restrictions must be in furtherance of the Foundation's compelling purpose, mission, and goals. All restricted gifts, including restricted gifts in the form of endowment funds, must be recorded in and governed by a contemporaneous writing that is approved by the Stewardship Committee, and executed by both the donor and the Foundation. Such writings may take a variety of forms ranging from email to a memorandum of agreement depending on the complexity of the restriction. With the acceptance of a restricted gift, the Foundation will do its best to honor the restrictions.

The Financial Accounting Standards Board (FASB) sets standards for nonprofits like the Foundation for the recording of restricted gifts. The Foundation Board may establish minimum amounts for accepting restricted contributions. The minimum amount for a restricted donation may be dependent on the restriction requirements and the Foundation's ability to fulfill them.

There is a statutory legal process for removal of restrictions, normally by request to the donor. Any request for removal of restrictions shall be undertaken under the guidance of the Stewardship Committee.

**Major Gift Considerations:** Conditional proposed donations of more than \$100,000 will be reviewed by the Stewardship Committee and then by the Foundation Board before acceptance. It is anticipated that major donors may have significant continuing roles with the Foundation's efforts for a defined period. They may provide volunteer time and funds. Such agreements with major donors will be reduced to writing by the National Staff to capture the intent and understandings of the parties for Stewardship Committee approval. If any terms need to be addressed or revised with the donor, the Chair of the Foundation will be the point of contact with the donor.

**Endowment:** Endowment assets are accumulated assets for which the principal or "corpus" is intended to be preserved and grown. The Endowment may be funded with outright gifts and with deferred gifts such as bequests, life insurance policies, retirement plan designations, charitable remainder trusts and similar vehicles. It is the intent of the Foundation to build a lasting financial endowment for the Foundation. It is the policy of the Foundation to retain and accumulate at least 50% of its donations received annually as Endowment principal.

Unrestricted Endowment gifts at all levels are preferred, allowing the Foundation to use the income where it is most needed. Restricted Endowment gifts may restrict the use of earnings from the gift corpus. The Foundation may accept restricted Endowment gifts that support its mission and priorities. Restricted Endowment gifts must first be reviewed by the National Staff and approved by the Stewardship Committee before acceptance by the Foundation. The Foundation will use its best efforts to use the earnings from a restricted Endowment gift as designated by the donor.

Donors may contribute directly to the Endowment with use restricted to the Endowment. The Foundation Board also may add funds to the Endowment from time to time at the discretion of the Foundation Board. Such additions determined by the Board are considered "quasi-endowment" for which special accounting and tax filing rules apply. It will be the responsibility of the Financial Division Chair to oversee the application of the Endowment rules.

The Endowment assets are included with the Foundation's investment portfolio, which is diversified under the supervision of the Financial Division. Spending authority from earnings of the Endowment must be approved by the Foundation Board.

**Deferred Gifts:** Deferred gifts are gifts that are to be paid into the Foundation at a future date. These include gifts by will or living trust, life income instruments, planned gifts from retirement accounts, life insurance, and pledges. Deferred gifts may be revocable or irrevocable. All

deferred gifts to the Foundation will be credited to Endowment when the gift is in fact received, unless otherwise directed by the donor.

**Custodial SAME Post Funds:** Post funds placed with the Foundation belong to the Posts and are not to be confused as funds owned by the Foundation. The policies and procedures governing SAME Post Funds in the custody of the Foundation are governed by a separate SAME Post Funds Policy administered by the Financial Division. Stewardship beyond investment is the responsibility of the Posts. It is the responsibility of the Posts to honor any restrictions imposed by donors upon the use of those funds. Post funds will not be placed in the Foundation's Endowment unless they are specifically donated to the SAME Foundation.

#### **IV. Policies for Specific Types of Gifts**

**Non-financial Assets:** When possible, donors should be encouraged to monetize non-financial assets before donating them to the SAME Foundation.

**Outright Gifts of Marketable Securities:** The Foundation's policy is to convert non-cash donations immediately to cash so that proceeds may be pooled with its other Foundation assets for cost-effective investment and use.

Securities will be valued at the average of the high and the low selling price on the date the asset leaves the control of the donor and is in the control of the Foundation. As a rule, all securities will be sold upon receipt. Rare exceptions may be made by the Stewardship Committee with the advice of the National Staff. In any event, tax rules and procedures will be strictly adhered to.

**Outright Gifts of Closely Held Securities:** Closely held securities may be accepted only after review by the National Staff and approval by the Stewardship Committee. The fair market value of the gift must be determined as of the time of donation through an independent qualified appraiser retained by the donor. Prior to acceptance, the Foundation will explore methods of immediate liquidation of the securities through redemption or sale. No commitment for repurchase or sale of closely held securities will be made prior to completion of the gift as the transaction might be viewed by the IRS as a sale rather than a gift with adverse tax consequences for the donor. This same policy applies for initial public offering (IPO) gifts.

**Outright Gifts of Tangible Personal Property:** Gifts of tangible personal property should have a use related to the Foundation's tax-exempt purposes and must be reviewed by the National Staff and approved by the Stewardship Committee before acceptance. Such gifts shall be sold or used for the benefit of the Foundation, and the Foundation will follow IRS requirements in connection with disposing of gifts of tangible personal property and filing appropriate tax reporting forms. The Stewardship Committee typically will accept a gift of tangible personal property only if it is advised to by the National Staff and valued by an independent qualified appraiser at \$10,000 or more, is not perishable, can be immediately offered for sale "as is" to the public through a broker or company identified before the gift is accepted, and appears to be readily marketable without significant cost to the Foundation.

**Lifetime Gifts from Retirement Plans:** Under current law, individuals over age 70 ½ may direct tax-free lifetime transfers of up to \$100,000 a year from their Individual Retirement Accounts directly to the Foundation and other qualifying charitable organizations. Such amounts qualify as required minimum distributions from their IRAs, are not includable in the IRA owner's gross income, and are not tax deductible as a charitable contribution. The National Staff shall annually review and advise the Stewardship Committee regarding upgrading these provisions to remain compliant with the law.

**Gifts of Real Estate:** The Foundation may accept outright gifts of real estate including personal residences and vacation or commercial property only if reviewed by the National Staff and approved by the Stewardship Committee. The Foundation typically will not accept a divided interest in real estate, i.e., a certain percentage or fraction of any given right in a property or a portion of the property.

The Stewardship Committee will consider outright gifts of real estate under conditions determined by the Stewardship Committee after advice by the National Staff, which may include (1) a site visit prior to gifting; (2) an appraisal furnished by the donor conducted by an independent qualified appraiser within the past 60 days; (3) a title search provided by the donor to confirm there are no issues on the donor's claim of title to the property; and (4) an environmental survey provided by the donor clearing the real estate of environmental issues.

Time shares, unimproved vacation lots, and property that has been listed for sale without success for an extended period generally are not acceptable gifts, since the Foundation must be able to sell the property immediately in keeping with its policies.

If the gift is accepted, the applicable General Warranty Deed and other contractual documents will be prepared by the donor's attorney at donor expense, unless otherwise approved by the Stewardship Committee.

Other factors the Stewardship Committee may consider:

- Will the Foundation receive at least \$25,000 after liquidation of the real estate and payment of all fees and expenses?
- Can the donated real estate be immediately offered for sale to the public through a broker or dealer identified before acceptance?
- Is the real estate readily marketable "as is"? That is, is there a reasonable prospect of the real estate being sold; (a) within six months, (b) without significant investment by the Foundation, (c) without improvement, (d) without development, and (e) without litigation or liability?

The Foundation does not encourage donors to make gifts of real property under which the donor retains a life interest, e.g., the donor has the right to use the property for his or her lifetime or for a set number of years. Before accepting such a retained life estate agreement, the Stewardship Committee will require assurances from the donor that the asset transferred does not represent a major portion of the donor's wealth. The Stewardship Committee will also expect to be satisfied that the possible future ramifications of the transaction have been fully disclosed to and understood by the prospective donor.

No retained life estate agreement can be entered into by the Foundation with a donor without the review by the National Staff and approval of the Stewardship Committee.

**Deferred Gifts:** A deferred gift is a present decision to make a future gift. Deferred gifts include bequests by will where the donor makes a provision in his or her will to the benefit of the Foundation, but the gift is not received until after the donor's death. This is more typically referred to as "planned giving."

Bequests received because of a donor's will, trust, life insurance designation, or retirement plan beneficiary designation will be credited in accordance with the donor's instruction. Absent any restriction or instruction, undesignated bequests will be credited to unrestricted funds in the fiscal year during which the Foundation is notified of the donor's death and the dollar amount is received by the Foundation.

In no event will representatives of the Foundation prepare wills or trust documents for donors or pay attorneys for these services for donors since this may generate apparent conflicts of interest and potential charges of undue influence.

Donors of revocable deferred gifts (e.g., bequests and charitable remainder trusts) and irrevocable gifts (lead trusts) may be recognized together or separately from donors of outright gifts in donor listings. If recognized together, for example, donors of deferred gifts may be identified with an asterisk.

Deferred gifts other than gifts by will shall be reduced to writing by the National Staff for approval by the Stewardship Committee. The Foundation will provide a written agreement on deferred gifts for the donor to acknowledge. Additional documentation would include a commitment in writing from the donor or his or her attorney or a copy of the bequest intention, the trust document, life insurance policy, or IRA beneficiary listing. The document should state the assumed fair market value of the gift.

**Gifts by Will:** Bequests by will are to be honored as directed by the donor if at all feasible. Designations for a specific program, activity or use must be reviewed by the National Staff and approved by the Stewardship Committee. Complex designations by will are subject to review by the National Staff and approval by the Stewardship Committee. As a matter of policy, gifts by will that are not specifically restricted will be included in the Endowment.

**Charitable Remainder Trusts:** A charitable remainder trust (CRT) donation involves the transfer of cash or appreciated property such as securities to a trustee (either during lifetime or testamentary) by which non-charitable beneficiaries will receive income from the trust for a term of years or for life. After the death of the last beneficiary, or at the end of the term of years specified, the Foundation (and possibly other charities named in the trust document) will receive the "charitable remainder" or a portion thereof.

A CRT is an irrevocable life income trust, but the designation of the beneficiary is not irrevocably pledged. The donor selects the trustee (e.g., themselves, a bank, or attorney) and the

charitable beneficiaries, which may change over the term of the trust. Donors will also determine the amount of income to be paid annually from the trust to the life or term beneficiaries. After review by the National Staff, the Stewardship Committee will determine whether to accept CRT beneficiary status, considering the size of the gift and the number of beneficiaries including the ages of the other beneficiaries if they are individuals.

**Charitable Lead Trusts:** A donor may transfer to a trustee cash or securities to be invested with the earnings going to the Foundation for the term of the trust, and the original gift returning to the donor or his/her family after a period of years. When the term expires, the gifted asset value returns to the donor where it produces new income for the donor or to other non-charitable beneficiaries. The minimum gift to fund a lead trust with the Foundation as beneficiary will be \$25,000.

Lead Trusts are irrevocable legally enforceable deferred gifts that make contributions to the Foundation over time. The Foundation will report the face value of the payment stream as a pledge in the year that it's given and will record annual income as pledge payments as they are received regardless of the trust length.

**Deferred Gifts from Retirement Plans:** Expected retirement gifts are revocable and will be included as donations only as received by the Foundation.

**Gifts of Insurance:** With National Staff review and Stewardship Committee approval, the Foundation may accept irrevocable gifts of life insurance policies if the Foundation is designated as both the owner and sole beneficiary of the policy. The insurance policy may be paid in full or be a policy that still requires annual payments by the donor. If there are premiums to be paid, the donor must agree in writing to pay the premiums directly. The Foundation will not make future payments on donated life insurance policies and will not accept gifts for the purpose of purchasing insurance on the donor's life.

As owner of a donated policy, the Foundation may choose to cash it in for surrender value and receive immediate funds or hold the policy until the donor's death. This will be at the discretion of the Stewardship Committee, with advice by the National Staff.

**Pledges:** A pledge to the Foundation is an agreement to contribute cash or other assets in the future. All pledges must be reduced to a written agreement prepared by the National Staff for approval by the Stewardship Committee and signed by both the Foundation Chair and the donor. As with restricted donations, such writings may take a variety of forms ranging from email exchange to memorandum of agreement depending on the complexity of the pledge.

Pledges can be unconditional or conditional. An unconditional pledge is a promise by a donor to give where no future performance is required by the Foundation. A conditional pledge involves a future action that must be met by the Foundation to receive the asset. Examples of conditional pledges are challenge gifts and pledges that are non-binding on the donor's estate. The National Staff will review all conditional pledges before they are accepted by the Stewardship Committee. Conditional pledges will not be recorded in the Foundation's books and records until the pledged amounts are received.

Pledges of \$100,000 and more may be fulfilled over a designated period usually less than five years. The term may be extended by agreement between the donor and the Foundation, at the recommendation of the Stewardship Committee after advice from the National Staff. Pledges under \$100,000 should be fulfilled in less than five years. Prepayment or accelerated payment of pledges may be discounted at the discretion of the Stewardship Committee in consultation with the Foundation Chair.

**Donor Advised Funds and Community Foundation Donor Funds:** A donor advised fund (DAF) is a fund set up by a donor with a contribution of cash, stock or other assets that is controlled by a sponsoring charitable fund organization (e.g., Fidelity Charitable, Goldman Sachs Charitable Gift Fund, Schwab Charitable) that manages the donor's account. Donors tell the sponsoring organization which nonprofits they would like to donate to from their accounts. The donation of the assets into the DAF is irrevocable, and the sponsoring organization controls the funds. However, they normally follow the disbursement "requests" of the donor. The advantage to the donor is that the donation of the assets to the DAF triggers an immediate tax deduction for the value of the assets, even though the payout of the assets by the sponsoring organization occurs over time. In some cases, the DAF can even be passed to heirs.

There are three different types of DAF's, including the commercial financial house examples above. Another is a community foundation DAF. Community foundations focus on charity needs geographically and offer family philanthropic advice.

The Foundation will accept gifts from donor-advised funds. These contributions will be recognized as both gifts from the individual donor (soft credit) and organizational funder, such as Fidelity, Goldman Sachs, Schwab etc. (hard credit). However, the IRS code does not permit more than incidental benefits to be provided to individuals who give from such related funds and foundations.

A donor may make an additional independent contribution to receive benefits, and the Foundation will issue a receipt stating that goods and/or services were received and indicate both the tax deductible and non-deductible portions of the gift.

The Foundation will not accept donations from a DAF as payment of pledges of the original donor to the DAF. The Internal Revenue Code prohibits funds from a DAF (Sec. 4967 (a)) or a private foundation (Sec. 4941 (d) (1)) from being used to satisfy an individual's "legally binding" pledge obligations to the Foundation. A pledge is considered legally binding if the Foundation gives "consideration" for the pledge to the donor. Such consideration may take the form of, but not limited to, donor recognition, naming rights, or other incidental benefits to the donor.

**Challenge Grants and Gifts:** Challenge grants and gifts are donations made by others, such as a grant-making organization, a corporate body or even an individual or group of individuals, often to "match" a certain amount of funds otherwise raised. Challenge grants and gifts to the Foundation must be reviewed by the National Staff and approved in advance by the Stewardship Committee.

**Other Forms of Donation:** As other forms of donation become apparent, the Stewardship Committee, in collaboration with the SAME National Staff, will determine feasibility and procedures and make recommendations for Executive Committee approval.

### **V. Donor Recognition**

Donor recognition is extremely important. The Foundation Chair may immediately contact donors to express gratitude ahead of official acknowledgement otherwise from the Foundation. The Foundation Chair may expand upon or add to any thank you and recognition defined below as the Foundation Chair deems appropriate. The Foundation Chair may determine that any donation may be recognized by special telephone call in addition to written recognitions described below. At a minimum, the following written recognitions will be provided to donors.

**Tax Acknowledgement Letters:** Every donor will receive a tax acknowledgement from the Foundation of every gift within a reasonable period following receipt of the gift. Tax acknowledgement letters will include the dollar amount of the donation and the purpose of the gift as appropriate and known restrictions if any, along with a statement of value received by the donor in exchange for the gift, if any. All IRS guidelines will be followed. IRS Form 8283 for in-kind gifts valued at \$5,000 and above will be provided as well to the donor.

When a pledge is to be fulfilled over a period with more than one payment, the IRS acknowledgement letter will include a confirmation of the full intended gift and the amount or value of the first payment. Subsequent IRS acknowledgement letters will be provided following each subsequent payment and will include reminders of pledge balance remaining. For pledges of \$1,000 and above, when the final pledge payment is processed, in addition to IRS acknowledgement letters, a final pledge payment letter shall be sent to the donor under signature of the Foundation Chair.

**On-Line Gifts:** On-line donations submitted to the Foundation through the Society or Foundation websites will be acknowledged by return email receipt managed by the SAME National Staff and will be followed by tax acknowledgement letters.

**Additional Thank You Notes:** The Stewardship Committee Chair or the Foundation Chair may determine that specific donations warrant additional personalized acknowledgement to the donor. To ensure consistency and adequacy, the National Staff will generally generate Thank You Notes. However, all members of the Foundation Board may be called upon to prepare and send such notes.

**Further Recognitions:** Except for anonymous donors, individual and corporate and other entity donors will be recognized once a year in the Society's Military Engineer Magazine following the close of each year. For this recognition, such listings will be by donor level with the donor level only shown. This same listing may be published on the Foundation's webpages, updated on a periodic basis by the Society National Staff. All donor requests for anonymity will be honored.

**Giving Categories by Donation Amount:** All donors (not inclusive of grants) will be classified

to a Foundation donor category based on the value of gifts. The categories for gift-giving will be published annually and will be maintained on a continuing updated basis on the Foundation's webpages. Individual donors will be recognized for cumulative donations with a SAME Foundation pin for the Giving Categories by donation amount as noted below.

The following recognition categories are hereby established for individual donors on a cumulative basis:

- Diamond Donors - Major General William Black Society – \$100,000 and above
- Sapphire Donors – giving value at \$50,000 to \$99,999
- Ruby Donors - giving value at \$20,000 to \$49,999
- Emerald Donors – giving value at \$5,000 to \$19,999
- Platinum Donors – giving value at \$2,500 to \$4,999
- Gold Donors – giving value at \$1,000 to \$2,499
- Silver Donors – giving value at \$500 to \$999
- Bronze Donors – giving value at \$100 to \$499

The following recognition categories for corporate donors are hereby established as follows on an annual basis:

- SAME Forever Society -- \$1,000,000 and above
- Colonel Richard Gridley Society --\$500,000 to \$999,000
- Major General William Black Society – \$100,000 to \$499,000
- Diamond Donors – giving value at \$50,000 to \$99,999
- Ruby Donors - giving value at \$20,000 to \$49,999
- Emerald Donors – giving value at \$5,000 to \$19,999
- Platinum Donors – giving value at \$2,500 to \$4,999
- Gold Donors – giving value at \$1,000 to \$2,499

Giving values will be based upon charitable donation guidelines imposed by the Internal Revenue Code for substantiation of charitable deductions. The levels for individuals will be determined on a cumulative donation basis.

All donations of \$100,000 or greater, whether from an individual or a corporation, will qualify the donor for admission to the *Major General William Black Society*. Major General William Black was the first President of the Society of American Military Engineers. Corporate donations of \$500,000 or greater will qualify the donor for the Colonel Richard Gridley Society. Colonel Gridley was the first chief military engineer of the Continental Army, serving under General George Washington.

All donors of donations of \$100,000 or greater will receive a thank you acknowledgment letter jointly from the Foundation Chair and the President of the Society. The letter will confirm the amount of donation and stated purposes of the donation if purposes are specifically proposed. The letter will also confirm the terms of understanding between the Foundation and the donor. If donor participation in an effort supported by the Foundation is anticipated, such as providing mentors for the Foundation supported SAME summer camp program, that too will be confirmed in the letter.

As members of the *Major General William Black Society*, they will also receive:

- A SAME plaque recognizing their contribution to the Foundation to be presented at the Joint Engineer Training Conference (“JETC”)
- Recognition by inclusion on a plaque in the SAME National Office of all *Major General William Black Society* members

For gifts of \$1 million and greater, the Foundation Chair, in consultation with the SAME President, may determine greater recognitions. They may also authorize public announcement of the gift with donor approval. Typically, this will include a press release and associated publicity to promote the gift to the public. Similar publications may be made for gifts under \$1 million only when approved by the Foundation Board.

**Recognition Supporting Fundraising Campaigns:** The Fundraising Committee may propose to the Executive Committee for approval additional donor recognition to support specific fundraising campaigns. Additional recognition must be approved by the Stewardship Committee and funding for such activities shall be approved by the Foundation Executive Committee.

**Anonymous Donors:** When a donor indicates they wish to remain anonymous, it may be for a particular gift, or it may be for a lifetime and beyond. A flag will be set up in the donor database by SAME National Staff to mark the donor and gift as anonymous. Donations received other than on-line (checkbox provided on-line) will require the donor to alert the National Staff to their wishes. Such donors and gifts will be reported only as “anonymous” including within the giving categories above.

Written donation acknowledgements will be provided to these donors, but the donor and gift will not be recognized publicly. If there is any question about the donor’s intent for anonymity, the Stewardship Chair shall contact the donor for clarification.

In all events, for those donors wishing to remain anonymous, donor information including names and contact information will not be released outside SAME and the Foundation. Amounts of donations made by those wishing to remain anonymous may be carried in listings and tabulation summaries as “anonymous.”

## **VI. Special Situation Donation Recognitions**

**Stewardship Events:** Events, both large and small, to cultivate and thank donors are an integral component of a development and donor relations program. As these events are planned by the Foundation, donors including prospective donors may be invited to attend. The Stewardship Committee, in conjunction with the Fundraising Committee and in collaboration with the SAME National Staff, will be responsible for organizing special stewardship events to recognize donors. Funding such activities shall be approved by the Foundation Executive Committee.

The SAME Foundation Board, collaborating with the SAME National Staff, will schedule stewardship and cultivation actions and will also develop new events, nationally for special

programs and campaigns. Post and regional events will require collaboration with local Post and regional leadership. Examples include events at JETC, Joint Engineering Training Symposiums, the Annual Small Business Conference, and Capital Week. Regional events may be planned in areas where the largest Posts are located with a large population of SAME members. Events at Post levels too may be planned.

**Memorial and Tribute Gifts:** Donors making a gift to the Foundation of more than \$20,000 or requesting gifts from others in honor of or memorializing an individual in excess of \$20,000 will receive special recognition letters from the Stewardship Chair. Opportunity will be given to those suggesting memorial gifts to provide names and addresses of individuals that may have an interest in contributing a memorial or tribute gift. The Stewardship Chair, with assistance of SAME National Staff, will provide letters to such individuals. Family, friends and next of kin will be provided with letters acknowledging receipt of donations as appropriate. Such letters will not contain gift amounts.

**Matching Gifts:** The Foundation Chair will remind donors of matching gift programs and will facilitate the processing of matching gift requests with the assistance of the SAME National Staff. In the event of a matching gift, the Stewardship Chair or designee will notify the originating donor that a matching gift has been received.

**Deceased Donors:** Should the Foundation become timely aware of the passing of a major donor, the Stewardship Chair, Foundation Chair and SAME President will jointly determine a course of action that may include a note of sympathy, flowers and attendance at services. Funding for such activities shall be approved by the Foundation Executive Committee. The Stewardship Chair will manage this protocol on a case-by-case basis. Generally, a surviving spouse will be accorded the same level of recognition as a donor. Unless otherwise instructed, a surviving spouse will continue to receive the same communications that the deceased would have received.

**Customized Stewardship and Engagement Plans:** There may be situations where a special stewardship arrangement with a donor is in order, for example, at the request of a donor. The Stewardship Chair and Foundation Chair may approve of such a plan in special circumstances in coordination with the SAME National Staff. The development of such a plan will be without cost to the Foundation. Such a customized plan of stewardship may become permanent and should be monitored and maintained by the Stewardship Chair at least annually.

**Naming Opportunities:** The Foundation Chair along with the SAME Executive Director may provide a variety of naming opportunities including positions, spaces and facilities, named awards, and programs pursuant to uniform rules and practices to be developed by the Foundation and Society. This will help safeguard important donor relationships while also limiting negotiation. The key material terms of naming rights agreements will be memorialized in a written gift agreement between the Foundation and the donor. These policies will help set parameters for negotiating those terms and may be incorporated in part or in their entirety into the gift agreement. These policies will apply to all donors, including individuals, corporate donors and donor foundations.

Naming rights require a minimum level of investment to be approved by the Foundation Board

and SAME Board. The amount of donation for the naming of spaces within an existing building will depend upon visibility, importance, and perceived philanthropic value. The cost of naming also will consider the competitive donor marketplace and the donor's giving history. For program naming, it is expected that the distribution from the gift will equal half or more of the annual cost of the program.

A donation pledge must be 50% fulfilled prior to the installation of any agreed upon naming signage. In all cases, there must be written documentation that makes the pledge binding upon the donor's estate. There must also be a written commitment to complete payment within the pledge period.

Historically, naming rights at many organizations have been offered in perpetuity, with the legacy of a one-time gift often outlasting the donor's relationship to the organization or outlasting the purpose of the gift. Sunset clauses, which are growing in popularity with many organizations, formally limit the length of a naming right to a pre-specified period, which recognizes future economic needs and gives the organization the opportunity and flexibility to acknowledge major gifts without tying up valuable naming opportunities in perpetuity. In keeping with now-current common practice, a maximum 20-year period is recommended for naming opportunities, including spaces, programs and awards. The gift agreement between the donor and the Foundation may provide for an additional gift from the original donor or donor's family or to offer the naming right to a new donor at the end of the defined term.

Recognizing that some donors may be interested in more than 20 years, extended durations may be considered, commensurate with gift size. Such exceptions shall have to be approved by the Foundation Board and the SAME Board.

Naming rights may be rescinded by the Foundation for donor failure to fulfill a pledge; circumstances that would be embarrassing or harmful to the Foundation or SAME's reputation and values; or if the named program or space ceases to exist, is no longer useful, or is impractical. Should the purpose of a restricted gift cease to exist, the Foundation and donor or donor's heirs will agree to repurpose the gift to related purposes in the naming agreement.

## **VII. Summary of Policies for Management of Donations**

**Basic Principles:** The Foundation Chair, with advice from the Financial Division, will ensure that gifts are invested and spent wisely in accordance with donors' wishes; that they do not impose unacceptable risks or costs to the Foundation or SAME; and that gift acceptance and recognition are in keeping with federal and state laws, Internal Revenue regulations, and best practices (e.g., guidelines of the Council for Advancement and Support of Education (CASE) and the Association of Fundraising Professionals (AFP)). All donations will be invested pursuant to the Foundation Investment Policy.

In administering donated funds, the following specific principles will be followed by the Foundation and supporting SAME National Staff:

- All donors to the SAME Foundation will receive a thank you letter along with the information needed to meet the current requirements set forth by the IRS to substantiate a charitable donation.
- All donations will be used exclusively for their intended purpose in accordance with the donor directives.
- A determinate % of investment gains and returns on restricted gifts may be designated as unrestricted by the Foundation Board.
- The investment, safeguarding and disbursement of restricted gifts will be made and controlled by the Foundation Board.
- The Foundation Board will provide full transparency for its operations, by providing audited annual reports and reports of accumulated endowed funds, and selected capital and program funds.
- The Foundation Board will strive to develop and maintain positive and supportive relations with SAME and its leadership.
- The Foundation Board will continually strive to improve the charity ratings of the Foundation to demonstrate the highest level of Foundation governance.
- These policies will be shared with prospects and donors as appropriate, will be applied consistently, and will enable the Foundation Board to solicit and accept gifts confidently and smoothly.
- The Foundation Board reserves the right to refuse or to return gifts that are inconsistent with the Foundation's purpose or that otherwise may be deemed inappropriate or harmful to the Foundation's reputation.
- The Foundation Board will provide donors and their professional advisors with accurate information that will help them meet their philanthropic, financial and tax objectives. Donors will be urged to consult their own financial, legal, estate planning and tax advisors when considering a gift, and the Foundation will not act as an advisor to a donor in any of these respects.
- The goal is that gifts to the Foundation be received and deposited within normally 24-hours through the SAME National office. The policy is to process and acknowledge gifts within a week of receipt.
- The Society National Staff will maintain records of all donations by individual and by corporate donors, including annual and cumulative running totals of donations to the Foundation. This will include Society members and non-members.

## **VIII. Conclusion**

Donors are the lifeblood and bedrock of the Foundation. It is the donors who drive the successes of the compelling purpose of the Foundation in ***Fostering Engineering Leadership for the Nation***. Every donor is proud to be a much-appreciated part of the SAME Foundation.

It is the intent of the Foundation Board to work with every donor to ensure that each donor is satisfied that their donative intent is being met.

Lastly, this set of Policies and Procedures for Gift Acceptance, Donor Recognition and Gift Management shall be reviewed annually and revised as needed. Revisions will be made under

the direction and supervision of the Stewardship Chair and approved by the Stewardship Chair, the SAME Executive Director, and the Foundation's Board of Directors. Comments, questions and proposed revisions to the Policies and Procedures should be directed to the Stewardship Chair.