

Policy: BP Gift Reinvestment Policy	Effective Date:	2014.02.12
	Revision #:	0
	Date of Rev.:	2014.12.31
Policy Application: BPA: Gift Reinvestment Allocation Schedule	Bring Forward:	2015.06.15
	Next Review:	2016.06.15
	Policy Application Oversight:	Finance Committee

Purpose

The purpose of this policy application is to clearly outline the gift reinvestment allocation schedule as it applies to gifts greater than \$10. Staff is expected to understand this policy application so the allocation can be relayed to donors.

Schedule

All current gifts will be assessed the reinvestment allocation as follows:

<u>Gift Size</u>	<u>Allocation</u>
\$0-\$100,000	10%
\$100,000-\$500,000	7%
\$500,000-\$1,000,000	6%
\$1,000,000 to \$2,000,000	5%
Over \$2,000,000	3%
Endowed Funds	2%*

*A two percent endowment allocation will be calculated and assessed to all endowments using the *book value* of the endowment as of December 31.

These gift reimbursement allocations will change only upon the request of the Board of Directors of the Foundation.

Exemptions from the Gift Reinvestment Allocation

These types of gifts will be exempted from any assessment of a Gift Reinvestment Allocation:

- Gifts received prior to the Effective Date;
- Payments received on pledges documented before the Effective Date;
- Non-cash (gifts-in-kind) gift made to Foundation that is used to support the Foundation's mission and fundraising activities;

Payment at the Time of the Gift

The Gift Reinvestment Allocation is to be paid at the time of the receipt of the gift, except for planned gifts, and stock gifts, whereby the allocation is collected on the net proceeds amount at time of maturity or disposition. A donor may wish to make a gift that ensures that the program/area benefiting from

their gift receives a specific amount (“net”). In this case, they will be allowed to provide a gift calculated as the net amount intended for the project/area plus the gift reimbursement allocation.

Disclosure to Donors

Disclosure of the Gift Reinvestment Allocation policy and schedule will be made to donors on all donation receipts. However, written or oral disclosure of the allocation to donors is encouraged at the time of solicitation. Fee information should be included in any printed fund raising literature issued to prospective donors. The Foundation shall develop and approve appropriate disclosure language for fund raising literature.

Reporting

Summary information about all allocations collected shall be reported at bi-monthly annually to the Board of Directors by the Executive Director or his/her designee.

Charitable Receipt

Assessment of a gift allocation does not affect the tax-deductible amount of a donor’s gift to the Northern Lights Health Foundation. Donors will receive one receipt for the full amount of their gift.

Forms

The Executive Director or his/her designee may establish written forms for practical operations to implement this policy.