

KEREM SHALOM'S GIFT ACCEPTANCE POLICIES AND GUIDELINES

Approved by the Board of Directors, June 1, 2023

Kerem Shalom, Inc. ("Kerem Shalom"), a federally-recognized 501(c)(3) not-for-profit organization incorporated under the laws of the Commonwealth of Massachusetts, encourages the solicitation and acceptance of gifts for purposes that will help Kerem Shalom further and fulfill its mission.

The mission of Kerem Shalom is to be the heart and home of Jewish life in the Concord, Massachusetts area. Kerem Shalom is an inclusive congregation whose exploration of progressive Judaism stands upon three values: *kehillah* (community), *simchah* (joy), and *k'vod ha-b'riyot* (respect for the dignity of every person).

The following policies and guidelines govern acceptance of gifts made to Kerem Shalom for the benefit of any of its operations, programs or services, or for any other purpose.

I. Purpose of Policies and Guidelines

Kerem Shalom receives solicited and unsolicited current and deferred gifts from individuals, families, corporations, and foundations to secure and support Kerem Shalom's current and future operations. These policies and guidelines govern the acceptance of gifts by Kerem Shalom and provide guidance to prospective donors and their advisors when making gifts to Kerem Shalom.

II. Kerem Shalom's Gift Acceptance Committee

Kerem Shalom's Gift Acceptance Committee is charged with the responsibility of reviewing all gifts requiring review under the terms of these policies and guidelines,

rejecting or recommending acceptance of those gifts as appropriate, returning any gift deemed inconsistent with Kerem Shalom's purpose or otherwise deemed inappropriate, addressing any conflicts of interest and other ethical considerations that may arise, and making recommendations to Kerem Shalom's Board on gift acceptance issues when appropriate. The Gift Acceptance Committee will meet as needed, via conference call, electronically, in person, or by email and/or written consent. The Gift Acceptance Committee shall consist of:

A. The chairs of the following committees:

- 1) Development Committee;
- 2) Finance Committee; and

B. At least one other member of the Executive Committee as appointed by the President.

The President shall also designate one of the members of the Gift Acceptance Committee to serve as Chair of said Committee.

III. Use of Legal Counsel

Kerem Shalom, through its Gift Acceptance Committee, will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Gifts of closely held stock that are subject to restrictions or buy-sell agreements;
- B. Documents requiring Kerem Shalom to act in any fiduciary capacity;
- C. Gifts involving contracts, such as bargain sales or other documents requiring Kerem Shalom to assume financial or other obligations;
- D. Transactions with potential conflicts of interest;
- E. Gifts of real property; and
- F. Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee.

IV. Conflict of Interest

Kerem Shalom will urge all prospective donors of gifts other than cash and marketable securities to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

If a donor does not have independent counsel and asks for a referral, Kerem Shalom may provide a list of no less than 3 referrals, but shall not make a specific recommendation. Kerem Shalom shall not influence the donor's choice of advisor. No Board member shall serve as an advisor.

Kerem Shalom will comply with the requirements applicable to institutions in the then-current version of the Model Standards on Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving.

V. Restrictions on Gifts

Kerem Shalom will generally accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes and priorities. Kerem Shalom will not accept gifts that (a) would result in Kerem Shalom violating its corporate charter, (b) would result in Kerem Shalom losing its status as an IRC § 501(c)(3) not-for-profit organization, (c) are, in the reasonable determination of the Gift Acceptance Committee, too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for Kerem Shalom, or (e) are for purposes outside Kerem Shalom's mission. Decisions on the restrictive nature of a gift, and any acceptance of such gift, shall be made by the Board of Directors of Kerem Shalom (the "Board of Directors") following a recommendation by the Gift Acceptance Committee which the Board may approve in whole, in part or not at all.

VI. Criteria for Committee Review and Acceptance of Gifts

The following criteria govern Kerem Shalom's review and acceptance of gifts:

This document contains guidelines of the acceptance of gifts that may be given as both inter vivos (gifts made during one's lifetime) and testamentary (gifts made upon death) and to inform, serve, guide or otherwise assist donors who wish to support Kerem Shalom. It shall never be used under any circumstances to pressure or unduly persuade donors.

A. Gifts Generally Accepted Without Review by the Gift Acceptance Committee

1. **Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card, or online at keremshalom.org/donate/
2. **Marketable Securities.** Marketable securities may be transferred electronically to a Kerem Shalom account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached.

All marketable securities will be sold promptly upon receipt unless otherwise directed by Kerem Shalom's Treasurer if the securities have a fair market value of \$15,000 or less and otherwise by the Finance Committee. 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 Board of Directors, subject to the recommendation of the Gift Acceptance Committee.

- 3. Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.** Donors are encouraged to make bequests to Kerem Shalom under their wills, and/or to name Kerem Shalom as the beneficiary under trusts, life insurance policies, and/or retirement plans.

Sample bequest language for restricted and unrestricted gifts, including endowments, will be given to donors and their lawyers upon request and made available in Kerem Shalom's marketing material. Donors will be encouraged to consult with the Chair of the Gift Acceptance Committee to ensure their bequest intentions can be honored. Donors will also be invited to provide information about the intention underlying their bequest, and if willing, to share an excerpt that names Kerem Shalom as a beneficiary.

- 4. Charitable Remainder Trusts.** Kerem Shalom will accept designation as a remainder beneficiary of charitable remainder trusts. Kerem Shalom will not accept appointments as trustee of a charitable remainder trust.
- 5. Charitable Lead Trusts.** Kerem Shalom will accept designation as an income beneficiary of charitable lead trusts. Kerem Shalom will not accept appointments as trustee of a charitable lead trust.

Kerem Shalom reserves the right to reject any gift under this section **VI.A.**, in accordance with sections **IV (Conflicts of Interest)** and **VI B (Gifts Accepted Subject to Prior Review)** of these policies.

B. Gifts Accepted Subject to Prior Review

The following forms of gifts or donated properties are subject to prior review by the Gift Acceptance Committee, and if applicable pursuant to Paragraph 8 below, the Board of Directors:

- 1) **Tangible Personal Property.** The Gift Acceptance Committee shall review and determine whether to reject or recommend acceptance of any gifts of tangible personal property in light of the following considerations:
 - a. Does the property further Kerem Shalom's mission?
 - b. Is the property marketable?
 - c. Are there any undue restrictions as to the use, display or sale imposed on the property?
 - d. Are there any carrying costs for the property for which Kerem Shalom may be responsible?
 - e. Is the title/provenance of the property clear?

- 2) **Closely-Held Securities or Interests.** Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in limited partnerships and limited liability partnerships or companies, or other investment instruments, may be accepted subject to a recommendation by the Gift Acceptance Committee following its review to determine that there are no market or other restrictions on the security interest that would prevent Kerem Shalom from converting it to cash within a time period deemed reasonable by the Gift Acceptance Committee, the security would not generate any undesirable tax consequences for Kerem Shalom, or that such security interest should be retained as an appropriate investment, and following acceptance of such recommendation by the Board of Directors.

3) Life Insurance. Kerem Shalom will accept gifts of life insurance in the following ways:

- Irrevocably assign a paid-up policy to Kerem Shalom, naming Kerem Shalom as owner and beneficiary
- Irrevocably assign a life insurance policy on which premiums remain to be paid, naming Kerem Shalom as owner and beneficiary
- Name Kerem Shalom as primary or successor beneficiary of the proceeds of a new or existing policy

When ownership is irrevocably assigned to Kerem Shalom the donor is entitled to a gift receipt for the net cash surrender value, if any, and for any premiums subsequently paid by the donor.

The donor must agree to pay to Kerem Shalom, before due, any future premium payments owing on the policy. Kerem Shalom will acknowledge the entire amount of any such premium payments as gifts in the years that they are paid to Kerem Shalom. If the donor ceases making premium payments, Kerem Shalom may (a) continue making such payments on the policy, or (b) surrender the policy and collect its cash value, if any.

Kerem Shalom will not undertake to secure insurance on the life of a donor, nor will it accept ownership of policies subject to a loan or in connection with a split-dollar or similar arrangement where the proceeds are to be divided between charitable and non-charitable interests

4) Real Estate. All gifts of real estate are subject to review by the Gift Acceptance Committee, and, if applicable pursuant to Paragraph 8 below, the Board of Directors. Prior to acceptance of any gift of real estate other

than a personal residence, Kerem Shalom shall require an initial environmental review by a qualified environmental firm acceptable to the Board of Directors. In the event that the initial review reveals a potential problem, Kerem Shalom may retain a qualified environmental firm to conduct an environmental audit. The cost of the environmental review and audit shall generally be an expense of the donor. The donor shall be required to provide to Kerem Shalom at the donor's expense a title insurance policy (or its equivalent) satisfactory to Kerem Shalom prior to acceptance of any real estate. As to a gift of a remainder interest in real estate, all carrying and maintenance costs and other property expenses are to be paid by the donor or primary beneficiary until all life estates terminate and the remainder interest fully vests in Kerem Shalom.

Criteria for acceptance of gifts of real estate include:

- Is the property useful for Kerem Shalom's purposes?
- Is the property readily marketable?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
- Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
- Is there a provision for indemnification by the donor in the event that environmental damage is found following acceptance of the property by Kerem Shalom?

- 5) Charitable Gift Annuities.** Kerem Shalom will not currently accept gift annuities due to their cost and complexity and the liability they create. Should a donor desire to donate a gift annuity to Kerem Shalom, Kerem Shalom will attempt to utilize the services of an organization which already accepts gift annuities, such as Combined Jewish Philanthropies. In the event that Kerem Shalom in the future elects to accept gift annuities, as determined by the Board of Directors in its sole discretion, these policies and procedures will be amended to set forth the terms and conditions of such acceptance.
- 6) Other Gifts.** Gifts not specifically mentioned in these policies are subject to review by the Gift Acceptance Committee.
- 7) Rejection of Gift.** Any decision by the Gift Acceptance Committee to reject a gift in accordance with these policies shall be deemed a final determination by Kerem Shalom.
- 8) Recommendation to Accept a Gift.** In the event the Gift Acceptance Committee determines that a gift subject to its review should be accepted, it shall so notify the Board of Directors together with an explanation of the reasoning behind its recommendation. The final decision as to such a gift shall be made by the Board of Directors, which may accept the recommendation in whole or in part, or reject the recommendation.

VII. Miscellaneous Provisions

- A. Legal fees and appraisals.** For all gifts made to Kerem Shalom, it will be the responsibility of donors to secure and pay for (1) the services of independent legal counsel to obtain their advice and (2) an appraisal

where required by federal, state or local tax regulations or requested by Kerem Shalom.

B. Valuation of gifts. Kerem Shalom will record a gift received by Kerem Shalom at its valuation for gift purposes on the date the gift is received. With respect to any gift of assets which have no readily ascertainable market value, Kerem Shalom may rely on an appraisal submitted by a qualified appraiser selected by the donor and conforming to applicable tax regulations, provided, however, that Kerem Shalom may refuse to accept a gift if the Gift Acceptance Committee determines that the valuation submitted by the donor is unacceptable for any reason. Kerem Shalom's valuation procedures will be determined by Kerem Shalom's Treasurer, who may seek the input of the Finance Committee in accordance with applicable law and accounting standards. Notwithstanding Kerem Shalom's valuations for recording gifts, donors are responsible for determining the value of a gift for their own tax purposes.

C. Compliance with IRS Requirements. Acknowledgement of all gifts made to Kerem Shalom shall be provided to donors. Such acknowledgements and compliance with IRS acknowledgement requirements shall be the responsibility of Kerem Shalom's Treasurer or Assistant Treasurer or its Vice President for Development.

VIII. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Board of Directors, which must approve any changes to, or deviations from, these policies.

Approved on the 1st day of June 2023 by Kerem Shalom's Board of Directors.