



Cristo Rey Jesuit High School Gift Acceptance Policy

I. BACKGROUND

Cristo Rey Jesuit High School opened in 2007 and is part of the nationwide Cristo Rey Network of 32 high schools that provide a quality, Catholic, college preparatory education to young people who live in urban communities with limited educational options. We prepare our students to be successful both in college and life through our rigorous, standards-based curriculum and Corporate Work Study Program. Students fund over half of the cost of their education by working five full days a month in local businesses and organizations through our unique and innovative Corporate Work Study Program.

Our community is one of hard work and dedication. Our students work hard in the classroom and at their jobs. Our faculty and staff are dedicated and committed to our students' success. Our families work hard to contribute what they can to their student's education. Our supervisors, volunteers and benefactors also play a pivotal role in supporting students in and out of the classroom. Together, our students are venturing where many in their families have never been before: high school graduation, college entrance, and college graduation.

In August 2007 Cristo Rey welcomed the first freshmen class of nearly 100 students. Each year an additional class was added to the student body, until 2010 when students were enrolled in grades 9 to 12. In June 2011, the first graduating class walked across the stage to receive their high school diplomas. 100% of our first graduating class was accepted to college or the military.

Student success has been repeated as 100% of graduating seniors have been accepted to college since 2011.

II. MISSION AND MOTIVATION

Cristo Rey Jesuit High School (heretofore referred to as CRJHS), is a not-for-profit organization organized under the laws of the State of Minnesota and encourages the solicitation and acceptance of gifts for purposes that will help to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to CRJHS for the benefit of any of its programs.

Mission: Cristo Rey Jesuit High School serves and educates under-resourced students and families in the Jesuit tradition as a Catholic, College and Career Preparatory School.

Philanthropic Motivation. The principal basis for making a charitable gift to CRJHS shall be a desire on the part of the donor to support the work and programs of CRJHS. This emphasis on charitable motivation, however, in no way minimizes the necessity and appropriateness of a full and accurate explanation of the tax incentives for charitable giving and their implications for the donor. Moreover, all persons acting on behalf of CRJHS in soliciting and negotiating a charitable gift shall, to the best of their knowledge and belief, fully comply with both the letter and the spirit of all applicable federal and state laws and regulations.

III. POLICIES FOR GIFT GIVING AND ACCOUNTABILITY STANDARDS

A. Purpose of Policies and Guidelines. The CRJHS board and staff members solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and economic viability of Cristo Rey Jesuit High School. These policies and guidelines govern the acceptance of gifts by CRJHS and provide guidance to prospective donors and their advisors when making gifts to CRJHS. The provisions of these policies shall apply to all gifts received by CRJHS for any of its programs or services.

B. Donor's Bill of Rights

The Donor Bill of Rights was created by the American Association of Fund Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), the Association of Fundraising Professionals (AFP), and the Council for Advancement and Support of Education (CASE). It has been endorsed by numerous organizations. It is the intent of CRJHS to adhere to the principles contained with this Bill of Rights shown in appendix A of this document.

C. Conflict of Interest.

In all matters involving donors or prospective donors, the interests of the donor shall be respected. No program, trust agreement, contract, or commitment shall be made between CRJHS and any agency, person, company, or organization on any matter that would knowingly benefit CRJHS at the expense of the donor's interests.

CRJHS will comply with Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown in appendix B of this document.

D. Donor's Use of Legal and/or Advisory Counsel. All prospective donors shall be advised to seek separate, independent legal, financial or other professional advisors in any and all aspects of their proposed gift, whether by devise, trust agreement, contract, or other agreement or arrangement. Prospective donors must consult and rely on their own counsel on matters of tax implications and estate planning considerations related to their contemplated gift. Pursuant to The Philanthropy Act of 1995, life income (charitable gift annuity, charitable remainder trust) donors shall countersign a copy of the disclosure statement to evidence their receipt of the document.

E. Confidential Information/Privacy. Donors who wish to remain anonymous will be kept anonymous on printed donor lists in CRJHS publications, donor boards and annual reports.

All other information concerning donors and prospective donors, including names of their beneficiaries and information concerning assets and estate sizes shall be kept strictly confidential by CRJHS and authorized personnel except when a donor has consented in writing to release such information.

F. Non-Discrimination. CRJHS will not accept gifts that may cause it to act contrary to state, federal, or local law, including those gifts that are inherently discriminatory based upon race, color, sex, creed, ethnic or national identity, handicap or age; or that may involve a liability against the assets or resources of CRJHS.

G. Compliance. CRJHS President, CRJHS Director of Development, CRJHS Director of Business Affairs, and CRJHS Board Treasurer shall be responsible for ensuring compliance with the IRS, legal and accounting regulations governing solicitations and donations.

H. Discontinuing Contact Upon Request

It is the policy of CRJHS to discontinue contacting any person upon that person's oral or written request. CRJHS shall maintain a record of all requests by persons who indicate that they do not wish to be contacted by or on behalf of CRJHS. Upon a person's request that CRJHS discontinue further contacts, the person's name and address will be promptly removed from the database or modified to insure that no further contact is made with that person. CRJHS will also take steps to insure that the person's name is removed from any external databases or records under their control.

I. Recording of Gifts.

It is the policy of CRJHS to accurately record contributions and provide gift receipts to the donor in a reasonable time frame. CRJHS will acknowledge, in writing, the receipt of all gifts in a manner that satisfies the substantiation requirements of the Internal Revenue Code. The donor shall provide a current mailing address for such purpose.

J. Complaints. CRJHS shall promptly respond to any complaints by a donor or prospective donor about any matter that is addressed in this Gift Acceptance Policy.

K. Review of Policies. These policies will be reviewed on an annual basis by the Gift Acceptance Committee. Substantive changes will be recommended to the CRJHS Board of Directors for approval.

IV. GIFT ACCEPTANCE POLICIES AND PROCEDURES

The task of all volunteers and staff is to inform, guide, or otherwise assist the donor in fulfilling his or her philanthropic wish. All prospective donors are advised to consult their own attorneys and/or tax advisor(s) regarding all aspects of their proposed gifts and are encouraged to speak with their families about their planned giving.

A. Gift Acceptance Committee

A Gift Acceptance Committee shall be established. The Committee shall consist of the following individuals or their designees: CRJHS President, CRJHS Director of Development, CRJHS Chief Operating Officer, and CRJHS Director of Business Activities. A CRJHS Board member or a Finance Committee member may be recommended by the President and/or appointed by the Board Chair to serve on the gift acceptance committee for gifts requiring board approval or external expertise (real estate, unique in-kind gifts, etc.)

1. Acceptance of Gifts.

The Gift Acceptance Committee is charged with the responsibility of reviewing, as needed, certain gifts made to CRJHS and properly screening and accepting those gifts, and making recommendations to the Board of Directors on gift acceptance issues when appropriate.

All gift agreements that are binding upon CRJHS shall be subject to prior approval of the Board of Directors and legal counsel when needed.

2. Outside Legal Counsel.

CRJHS shall seek the advice of legal counsel in all matters relating to the acceptance of gifts when appropriate. Review by counsel is recommended for:

- Gifts of Real Estate;
- Gifts of closely-held stock and other closely-held business interests;
- Gifts involving contracts, such as documents requiring CRJHS to assume an obligation;
- Transactions with potential conflict of interest that may invoke IRS sanctions;
- Gifts involving charitable trusts;
- Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee.

B. Restricted and Unrestricted Gifts.

Unrestricted gifts provide CRJHS the greatest flexibility to direct resources where they are most needed at any particular time. For that reason, unrestricted gifts are always preferred.

CRJHS will accept gifts designated for specific purposes, without additional review of the Gift Acceptance Committee, provided that such gifts are consistent with the CRJHS stated mission, purpose and priorities. To the extent appropriate, CRJHS will encourage donors to make restricted gifts to an existing restricted fund rather than creating a new restricted fund. Any gifts which are for new restricted purposes shall require approval of the Gift Acceptance Committee.

CRJHS will not accept restricted gifts that impose an undue administrative burden on it, that involve unlawful discrimination based upon race, creed, national origin or disability, that otherwise violate any applicable federal or state law, or that are inconsistent with the ethical standards or organizational documents of CRJHS. In addition, CRJHS will not accept a restricted gift that would prevent or impede CRJHS from seeking other gifts or that are likely to generate adverse publicity.

CRJHS will document the terms of a restricted gift, whether temporary or permanent with a formal agreement. Once accepted, its use can be changed only with the express consent of the gift Donor and CRJHS.

When CRJHS receives a proposal for a restricted gift outside the parameters of its general guidelines, the staff or volunteer who receives the proposal should discuss the following options with the donor:

- Eliminate the designation and make an unrestricted gift;
- Direct the gift to an existing restricted fund; or
- Refer the request to the Gift Acceptance Committee.

C. Types of Gifts

CRJHS may accept either outright current gifts or deferred gifts, also called planned gifts. Outright gifts include: cash and cash equivalents; in-kind and tangible personal property; securities such as publicly held securities and closely held securities; and real estate. Deferred gifts may include charitable lead trusts, charitable remainder trusts, charitable gift annuities, retirement plan beneficiary designations, and life insurance.

1. Cash and Cash Equivalents.

Gifts by cash, check or credit card are accepted by Cristo Rey Jesuit High School. Gifts may be delivered to the Development Director in CRJHS administrative offices, at 2924 Fourth Avenue South, Minneapolis, MN 55408. If the check is mailed, the postmark date will be considered the delivery date and will be the date referenced for tax purposes.

2. Tangible Personal Property (includes gift in-kind)

CRJHS accepts in-kind contributions when a program/campaign has a need that can be met through such a donation. In-kind contributions are tangible gifts other than cash, marketable securities or real property. In-kind may include services and goods such as clothing, household goods, furniture, books, toys, tickets to entertainment or sporting events, or a donation of services by an individual, agency or organization. As a general rule, CRJHS will convert all in-kind gifts into cash whenever possible.

The acceptance of any gift of an object offered for use in CRJHS' charitable operations is subject to review and approval of the Gift Acceptance Committee. The Committee may choose to delegate the authority to review and accept in-kind donations to an appropriate administrative officer, such as the Director of Development. Prior to acceptance of a related use gift, the Gift Acceptance Committee will confirm with appropriate personnel that CRJHS will in fact use the gift property in furtherance of its tax-exempt purposes for an indefinite period. If a decision is made to accept such a gift, CRJHS will provide the donor with a written statement explaining its plans for use of the gift property. In addition, CRJHS will provide the donor with an acknowledgement of what was donated, but will not assign a value for tax purposes.

The Gift Acceptance Committee shall review any proposed gift in light of the following criteria:

- Does the property fulfill the mission of CRJHS?
- Is the property marketable?
- Are there any undue restrictions on the use, display or sale, of the property?
- Are there any carrying costs for the property?

Once donated, the item becomes the property of CRJHS, and CRJHS retains the right to dispose of an in-kind gift as it sees fit. CRJHS will sell, recycle, dispose of the item, or return it to the donor, at their discretion, unless a specific agreement has been made for other arrangements.

3. Securities

CRJHS can accept both publicly traded securities and closely held securities.

Publicly Traded Securities

Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. All marketable securities shall be sold upon receipt unless otherwise directed by the Finance Committee. In some cases, marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of restricted securities shall be made by the Gift Acceptance Committee.

Closely Held Securities

Closely held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the CRJHS Finance Committee. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent CRJHS from ultimately converting those assets to cash;
- The security is marketable; and
- The security will not generate any undesirable tax consequences for CRJHS.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the CRJHS Finance Committee and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. Real Estate

Outright Gifts of Real Estate

Gifts of real estate may include developed property, undeveloped property, or gifts of a remainder interest in property. The Gift Acceptance Committee shall review and determine whether to accept all proposed gifts of real estate. As a general rule, CRJHS will convert all real estate gifts into cash whenever possible.

Prior to acceptance of real estate, the committee shall obtain from the donor:

- (i) The terms of any mortgage or other encumbrance on the property;
- (ii) The property's current carrying costs (e.g. maintenance, property taxes, insurance, utilities, condo or co-op fees and similar costs);
- (iii) The most recent property tax statement.

CRJHS shall also require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, CRJHS shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by CRJHS prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor. The Gift Acceptance Committee shall determine, in its discretion and after consultation with outside counsel where appropriate, what form of deed the donor shall use to make a gift.

All gifts of real property must be reviewed and recommended by the Gift Acceptance Committee and approved by the Board of Directors, and, when appropriate, the legal counsel of CRJHS. The Gift Acceptance Committee will consider the following:

- Is the property useful for the purposes of CRJHS?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc. associated with the property?
- Does the environmental audit reflect that the property is not damaged?

The donor shall obtain a qualified appraisal of the property and provide a copy to CRJHS.

Remainder Interests in Real Estate

CRJHS may accept a remainder interest in real estate such as a personal residence, farm, vacation home, or other real property with a provision that full use of the property is retained for a term of years or until death. Title is actually transferred to CRJHS by deed with all privileges of ownership retained, except the right to dispose of the property. All property expenses, including expenses for maintenance, real estate taxes and any property indebtedness, are the responsibility of the donor during the life estate period.

5. Bargain Sales

CRJHS will enter into a bargain sale arrangement in instances in which the bargain sale furthers its mission and purposes. All bargain sales must be reviewed and recommended by the Gift Acceptance Committee and approved by the Board of Directors.

6. Planned Gifts.

a. Bequests.

Donors and supporters of CRJHS are encouraged to make bequests to CRJHS under their wills and trusts. Such bequests will not be recorded as gifts to CRJHS until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

CRJHS shall provide suggested wording to be used in their will, codicil or revocable trust, if requested by the donor.

CRJHS encourages donors to ensure that their family members understand their estate plan or bequest intentions. CRJHS reserves the right to disclaim a bequest, if the terms are contrary to the needs, wishes, or policies of CRJHS. Donors are encouraged to obtain independent legal counsel to determine the charitable benefits of a bequest. Once it knows of a bequest, CRJHS will make every effort to protect the interests of CRJHS throughout the probate and/or administrative process.

b. Life Insurance Policies.

All gifts of life insurance policies shall be reviewed by the Gift Acceptance Committee, and the committee shall have discretion to determine whether to hold, surrender or convert the policy, or to continue premium payments. Arrangements can be made for future premium payments by the Donor if appropriate.

c. Charitable Gift Annuities.

CRJHS will consider both current and deferred gift annuities. The Gift Acceptance Committee must review and approval all gift annuities.

d. Charitable Remainder Trust.

CRJHS may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the CRJHS Gift Acceptance Committee. CRJHS will not accept appointment as Trustee of a charitable remainder trust. Donors are encouraged to seek independent counsel in establishing charitable remainder trust to meet charitable objectives.

e. Charitable Lead Trusts.

CRJHS may accept a designation as income of beneficiary of a charitable lead trust. The board of CRJHS will not accept an appointment as Trustee of a charitable lead trust. Donors are encouraged to seek independent counsel in establishing charitable lead trusts to meet charitable objectives.

f. Life Insurance and Retirement Plan Beneficiary Designations

Donors and supporters of CRJHS will be encouraged to name CRJHS as beneficiary of their retirement plans and life insurance policies. Such designations will not be recorded as gifts to CRJHS until such time as the gift is irrevocable.

7. Acceptance of Pledges.

CRJHS will accept a donor's written promise to make gifts over a period of time. All pledge arrangements shall be approved by the Gift Acceptance Committee.

D. Miscellaneous

1. Gift Receipts

CRJHS will provide a contemporaneous receipt in accordance with IRS guidelines including the date and a description (but not the value, except in the case of a gift of cash) of the gift property. The receipt will also include a statement that CRJHS provided no goods or services in return for the gift, or a description and good faith estimate of the value of any such goods and services.

2. Qualified Appraisals/Form 8283/Form 8282

It will be the responsibility of the Donor to obtain any appraisals, when needed, to secure any tax benefits. When needed, CRJHS will sign Form 8283, as donee, and retain a copy of the signed qualified appraisal in its files. If CRJHS sells a gift asset for which a Form 8283 was required and the sale occurs within three years after the gift, CRJHS will file Form 8283 with the IRS to report the amount for which the gift asset was sold.

Appendix A

Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the organization's most recent financial statements.
- To be assured their gifts will be used for the purposes for which they were given.
- To receive appropriate acknowledgment and recognition.
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.

Appendix B

Model Standards of Practice for the Charitable Gift Planner

Created: 07 May 1991 | Published: 07 May 1991

Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.