



To combat homelessness, food insecurity, mental health crises, and suicide through improved financial wellness for military and Veteran families.

Gift Acceptance Policy

STEP encourages philanthropic support from its community and seeks to foster a culture of philanthropy. Every gift, of every size, matters, and each donor is critical to ensuring STEP fulfills its commitment to young military service members, Veterans, and their families in financial crisis - both now and in the future.

The purpose of this policy is to provide guidance to donors and those individuals at STEP who are involved with the planning, solicitation, and acceptance of philanthropic gifts. To ensure STEP follows the highest standards of conduct for fair, accurate and ethical fundraising, the policy applies to all gifts. There will undoubtedly be situations that are not contemplated by the policy which will require special consideration by the CEO, President, and Board of Directors. We understand that not every gift situation can be addressed. Therefore, we highly encourage donors who are considering investing in STEP to contact the Development office (development@teamstepusa.org). In all circumstances, STEP will act in a manner that honors its mission and meets or exceeds industry practices for proper stewardship and ethical behavior.

STEP encourages donors, both current and prospective, to seek their own independent legal, accounting, tax, and other professional counsel in all matters relating to their philanthropic giving; including, but not limited to, issues regarding income and/or transfer tax planning. STEP does not provide such counsel to donors. STEP will, however, seek the advice of its own independent professional counsel when appropriate.

Responsibilities of Both Parties

1. The donor is responsible for fulfilling any gift commitment made to STEP.
2. STEP is responsible for using donations for programs defined in our mission, with financial transparency and as the donor intended. Gifts made to a specific program will be used to offset the current fiscal year budget for that specific program. If the gift amount is more than the fiscal year budget, STEP reserves the right to allocate additional monies to other programs based on the greatest needs of the organization.
3. The Board and/or STEP leadership is responsible for final approval of any gift acceptance that falls outside of this policy.

General Provisions

1. All gifts to STEP shall conform to the following guidelines:
 - a. Gifts shall not be deemed injurious to the economic welfare or reputation of STEP, impose an unreasonable administrative burden and/or are beyond the scope of STEP's mission and purpose.
 - b. Gifts made by individuals, private foundations, community foundations, donor-advised funds, estates, public charities, public trusts and other organizations shall be considered as a mandate to transfer money or property to STEP for a charitable purpose.
 - c. Gifts shall be given as an irrevocable transfer of money or property with no rights reserved by the donor, except those described in this policy.
 - d. Gifts made "in honor of" or "in memory of" an individual will be accepted. Notice of the person honored or memorialized must be provided in writing at the time the gift is made. Upon request, notification of the gift is mailed to a third party, with the gift amount not disclosed.
 - e. Gifts made by a donor who wishes to remain anonymous will be accepted. Donors are responsible for notifying the development department of anonymity at development@teamstepusa.org
 - f. Anonymous donors will be recognized as "Anonymous" in donor reports in the appropriate giving category.
2. Planned Gifts: We encourage donors to notify the Development Office of their intentions to include STEP in their estate plans. By doing so, STEP can steward the gift appropriately and ensure that it can be accepted when realized.

Making an investment in STEP

1. Acceptable Forms of Gifts

STEP accepts cash, or any item that is the equivalent of cash, or is readily saleable in a public marketplace, including gifts made by or in the form of:

- a. checks or electronic funds transfer (STEP ensures appropriate and timely gift acknowledgments are dispersed and correct gift credits are given). Instructions for electronic funds transfers are available upon request;
- b. credit card (\$5 minimum for online credit card payments);
- c. non-restricted, publicly traded securities (valued on the date the donor relinquishes control of the security);

- d. closely held shares if there is a ready market and is no potential for undesirable consequences; and
- e. publicly traded closed-end mutual fund shares or marketable open-end mutual fund shares
- f. Gifts of Securities and Closely Held Stock
 - i. donor will be responsible for the direct transfer of shares electronically from the donor's brokerage account into STEP's brokerage account, according to instructions provided by STEP.
 - ii. the average of the high and low quoted selling prices on the date the gift is received will be used for gift evaluation purposes.

2. **Unrestricted Gifts**

STEP encourages the solicitation and acceptance of unrestricted gifts, provided that such gifts are consistent with STEP's stated mission, purposes, and priorities. Providing an unrestricted gift allows STEP to put the monies toward the greatest need.

3. **Restricted Gifts:**

The following policies and guidelines govern the acceptance of gifts made to STEP for the benefit of a specific program, otherwise referred to as a restricted gift.

- a. STEP's largest program in operation is the Financial Wellness Counseling (FWC) program. Monies to this program will not be considered restricted unless a specific region or type of client has been identified (ie: Ventura County Only, Veterans Only, Single Moms Only, Washington State).
- b. Types of restricted gifts would be, but are not limited to:
 - a. Restricted by region or type of clientele (Veteran, Navy, National City, etc.)
 - b. Restricted by type of granting program (County, City)
 - c. Restricted for capital purposes (purchasing a vehicle, shelving, food products)
 - d. Restricted to Eliminating Military Food Insecurity (EMFI) Program
- c. Once the restricted need has been met, if there is a remaining balance, STEP may choose to reallocate to next greatest need. Any amount over six figures will need board approval to reallocate. In some cases, grants may require excess funds to remain restricted until exhausted.
- d. STEP discourages excessively restrictive gifts which includes those too difficult to administer or those for purposes outside the mission of STEP. All final decisions on the restrictive nature of the gift, and its acceptance or refusal, are made by the CEO, President, and Board of Directors.
- e. A reasonable allocation of restricted funds, not to exceed 20%, may be used to administer restricted gifts.

- f. Gifts to STEP's endowment contribute to the long-term financial health of the agency. Gifts are held in perpetuity, subject to the investment policy of the board. As of 2020, STEP's endowment is being administered and held in trust by the Rancho Santa Fe Foundation.
- g. In addition to and without limiting the generality of, examples of gifts that will not be accepted by STEP are: gifts that violate any federal, state, or local statute or ordinance; gifts that contain unreasonable conditions; gifts that are political in nature; and, gifts that could expose STEP to safety issues.

4. **Third-Party Entities**

Third party gifts are usually given through private foundations, donor-advised funds, or private companies.

- a. When a gift is received from a third party and the individual has been identified, the donor will receive a "soft credit" for the gift.
- b. A third-party entity may pay pledges made by the donor (i.e. corporate matching gifts, business affiliates, family members, etc.) unless prohibited by law.
- c. Tax deductible receipts are sent to donor by original party, not STEP. STEP sends acknowledgement of receipt, and when applicable a thank you to third party.

5. **Matching Gifts**

Gifts received by STEP from companies that match the contributions of their employees are encouraged.

- a. The donor will receive "soft credit" for a matching gift (the company that makes the gift will be directly credited for the gift). The donor is responsible for completing company documentation that may be required to execute the matching gift.
- b. Matching gift funds are designated to the same fund as the donor's original gift, unless prohibited by the company's matching gift policy.
- c. A donor cannot pledge matching gift support on behalf of a company. Therefore, matching gifts will not be considered when a donor makes a pledge commitment. Matching gift proceeds can, however, be applied towards the donor's pledge commitment. Once the total pledged amount is received from the donor and/or from the donor's employer, the pledge will be considered fulfilled, and the donor will be recognized for the total amount of the gift (including and portion received from the donor's employer).

6. Gift Designations

- a. STEP records each gift according to the designation indicated by the donor or specified by the appeal solicitation. If specific restrictions are indicated and the donor's restrictions cannot be fulfilled, the gift will not be accepted.
- b. All non-designated outright gifts of cash are attributed to operating funds, which primarily support STEP's Financial Wellness Counseling (FWC) program.
- c. Any gift may be made "in honor of" or "in memory of" the donor or anyone he/she may wish to designate. Notice of the person honored or memorialized must be provided in writing at the time the gift is made. Upon request, notification of the gift is mailed to a third party, with the gift amount not disclosed.

7. Pledges

These are commitments to give a specific dollar amount according to a fixed schedule. For pledged gifts of \$2,500 or more, STEP will require a signed, pledge commitment form. All non-conditional pledges are recorded in STEP's database and included in financial reporting for the current fiscal year.

- a. A pledge can be considered unfulfilled if no payment is made after 12 months of the pledge date, or after 12 months of the last scheduled payment, whichever is applicable. STEP will send reminders and statements to donors with outstanding pledge balances.
- b. Pledge commitment forms will be provided by STEP to the donor for pledge gifts of \$2,500 and above. Formal documentation should be returned in a timely manner.

8. Grants

STEP solicits foundations, corporations, and organizations annually in support of our efforts to serve young military service members, Veterans, and their families in financial crisis.

- a. All grant funds given to STEP are to be spent in accordance with the funding agreement as specified by each grant.
- b. Prior to submission of a letter of intent or grant proposal, the development office is responsible for verifying that STEP can use the funds as requested.
- c. The Development Office develops and submits year-end reports to funders each fiscal year. Additional reports are submitted upon request of the funder.

9. Processing Gifts

- a. All checks should be made payable to Support The Enlisted Project, a.k.a STEP.
- b. All checks are deposited in the ordinary course of business. No employee is authorized to delay deposit.

- c. Donor will be recognized for the full amount of the gift (including “soft credits”) during the fiscal year in which the gift is received (i.e. from July 1st to June 30th).
- d. All gifts will be coded in the donor database for the constituency source from which the gifts were given (e.g., individual, corporation, foundation, organization).
- e. Gifts are recorded as of the date received, if received via postal mail. Hand delivered or picked up gifts are recorded as of the date of receipt.
- f. When a donation is received, a copy of the check and/or accompanying letter is given to Development Office to complete the donation intake process and stored securely for a minimum of seven years.
- g. Gifts received near the end of the fiscal year (June 30) or calendar year (December 31) may be credited to the prior reporting period if there is evidence the donor intended to make the gift within this period.

11. **Gift Acknowledgement**

- a. STEP is committed to ensuring accuracy, accountability, and transparency in all dealings with each one of STEP’s donors.
- b. All donors are sent gift acknowledgements, which can be used as a tax receipt.
- c. The Development Office is responsible for keeping a record of gift receipt and date of acknowledgement – these are available to donors when requested.

12. **Donor Privacy**

All STEP employees and volunteers sign confidentiality agreements. We consider donor privacy a critical part of accepting and stewarding gifts.

- a. Information concerning donors or prospective donors, including their names, the exact amount of the gift, or any other information for which there is a reasonable expectation of privacy and/or confidentiality is kept strictly confidential by STEP, its Board Members, volunteers, and staff, unless permission is obtained from the donor to release such information.
- b. Donors who wish to remain anonymous and not be included in published lists of donors must state so at the time of the gift. Completion of the donation remittance envelope or mention of name on any correspondence accompanying the donation is deemed written permission to be included in published lists of donors. Requests for donor anonymity will be honored, and donors who wish to remain anonymous may do so with every confidence.
- c. Donors are welcome to request and receive a complete copy of their records. Only authorized STEP employees are permitted to view donor files which remain onsite at STEP.

13. **In-Kind Gifts**

A gift-in-kind is a tangible item or service a donor voluntarily transfers to STEP without charge or consideration. In-kind gifts are accepted when a donor is fulfilling a need or request. In-kind gifts that STEP cannot accept include but are not limited to: used car seats and cribs, mattresses, oversized or bulky furniture, non-working electronics or any item or service that does not align with the mission of the organization.

Items accepted (although can be reviewed on a case-by-case basis and accepted at the discretion of a staff member):

- a. Furniture (smaller), housewares, toys, clothing, diapers, and new car seats are examples of in-kind gifts that may be considered for acceptance by STEP. Once accepted, the donated item(s) become the property of STEP, which retains the right to dispose of a gift-in-kind as it sees fit, unless another arrangement has been made with the donor.
- b. Gifts of necessary or discounted professional services will be accepted, assigned a dollar amount at market rate determined by the donor.
- c. Gift Cards with a minimum \$10 value/balance.

Valuing In-Kind Gifts

STEP may accept in-kind donations of clothing, household goods, baby items, hygiene products, toys, books, and other tangible personal property that support the organization's mission, programs, or operations.

For commonly donated items received in volume, STEP may use a standardized valuation methodology based on the type, quantity, condition, and estimated fair market value of the donated goods. STEP may use standard containers, bins, units, or other reasonable measures to consistently estimate the quantity of donated items.

Standardized values may be established for categories of frequently donated goods, including, but not limited to:

- Adult clothing
- Infant and toddler clothing
- Adult footwear
- Children's footwear
- Baby and infant items
- Hygiene and personal care items
- Stuffed animals
- Toys and books

STEP staff will periodically review and, when appropriate, update its internal valuation methodology to reflect reasonable estimates of current fair market value. Documentation supporting the methodology and any standardized values will be maintained in accordance with STEP's record-retention and financial-control practices.

When a donation consists of new merchandise, furniture, equipment, unusual or unique property, high-value items, or other goods for which the standardized methodology is not appropriate, the donation will be evaluated and documented individually.

STEP's valuation of donated goods is for internal accounting, inventory, and financial reporting purposes and should not be construed as establishing the value of a donor's charitable contribution for tax purposes. Donors are responsible for determining the value of their charitable contributions and obtaining independent appraisals when required by applicable law or regulation.

Documentation & Acknowledgement of In-kind Gifts

STEP uses a triplicate donation form that includes donor information, date received, description of item(s), estimated value that donor provides (when applicable) and how that was determined. The bottom copy is given to the donor. One copy goes to the Development Associate for tracking and recognition. The final copy goes to the Office Coordinator for entry into our QuickBooks system as well as reviewed monthly by the board audit committee.

When items have a value or perceived value of \$500+ the donation form is accompanied with a photo. When items are donated anonymously, no matter the value, there is also a photo.

The actual value that is booked is determined by the staff or trained volunteers during inventorying of items. That value is reported to the Development Department within three days for record keeping.

A donor thank you letter is sent, for all donated items of any value, listing a description of the items donated, but not the value, within five business days.

Gift Card Donations

STEP accepts gifts cards with balances of \$10+ in support of the clients we serve. Gifts cards are often used to purchased groceries, diapers, or other urgent items throughout the year on behalf of clients and/or the organization.

The CEO, President, and Board of Directors reserves the right to evaluate and update this policy on an annual basis.

This gift acceptance policy is a guideline for both employees and donors in setting expectations for gift acceptance. As an organization 100% privately funded we are grateful for the generous support of our community and work hard to care for and steward the assets donated to STEP. This policy will be reviewed periodically and updated accordingly.