

## **SERV FOUNDATION, INC. Gift Acceptance Policy**

*The mission of the SERV Foundation is to provide innovative programs for individuals in SERV Behavioral Health System's family of companies who struggle with debilitating mental illnesses or intellectual/developmental disabilities. By creating partnerships with individuals and organizations, SERV Foundation develops awareness in the community and provides financial support for exceptional programs benefiting consumers, their families, and the community at large.*

The SERV Foundation is a nonprofit 501(c) (3) corporation (Federal Tax ID Number 22-3265546) organized under the laws of the State of New Jersey. The SERV Foundation encourages the solicitation and acceptance of gifts to the organization to help SERV Behavioral Health System, Inc. to fulfill its mission. The following policies govern the acceptance of donations to the SERV Foundation to support any of its affiliated entities.

### **Purpose of Gift Policies and Guidelines**

The Board of Directors of the SERV Foundation and its staff solicit current and deferred gifts from individuals, corporations, and foundations to help fulfill this vital organization's mission. These policies and guidelines govern the acceptance of gifts by the SERV Foundation and guide prospective donors and their advisors when making gifts to the SERV Foundation.

### **Use of Legal Counsel**

The SERV Foundation will seek legal counsel's advice in matters relating to accepting gifts when appropriate. Review by counsel is recommended for:

- a. Certain gifts, such as closely-held stock, or closely held stock subject to buy-sell agreements or other restrictions.
- b. All transactions governed by contracts or other legal documents. This would include gifts of real estate, bargain sales, trusts naming the SERV Foundation as trustee, or documents obligating the SERV Foundation to take action.
- c. All transactions with potential conflicts of interest. This may include the use of Board members as sales agents in transactions, leases of gift property to staff or Board, etc.
- d. Administration of estates of which the SERV Foundation is named as a beneficiary.
- e. Other circumstances in which the staff or Board of Directors believe that the use of counsel is appropriate.

Potential donors are advised to have their own legal counsel to prepare or approve any legal agreements pertaining to any gifts.

## Restrictions on Gifts:

The SERV Foundation will not accept gifts that (a) would result in THE SERV FOUNDATION violating its corporate charter, (b) would result in The SERV Foundation losing its status as an IRS 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer concerning their value, (d) would result in any unacceptable consequences for The SERV Foundation or (e) are for purposes outside The SERV Foundation's mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee, in consultation with the Chief Executive Officer and the Chief Financial Officer.

## Gifts Generally Accepted Without Review:

- **Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, and American Express), card number, expiration date, and name of the cardholder as it appears on the credit card.
- **Marketable Securities.** Marketable securities may be transferred electronically to an 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 The SERV Foundation's Investment 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 Executive Committee.
- **Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities, and Retirement Plans.** Donors are encouraged to make bequests to The SERV Foundation under their wills and name The SERV Foundation as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.
- **Charitable Remainder Trusts.** The SERV Foundation will accept designation as a remainder beneficiary of charitable remainder trusts.
- **Charitable Lead Trusts.** The SERV Foundation will accept designation as an income beneficiary of charitable lead trusts.

## Gifts Accepted Subject to Prior Review:

Certain forms of gifts or donated properties may be subject to review before acceptance. Examples of gifts subject to prior review include, but are not limited to:

- **Tangible Personal Property.** The Executive Committee shall review and determine whether to accept any tangible personal property gifts in light of the following considerations: does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?
- **Life Insurance.** The SERV Foundation will accept life insurance gifts where The SERV Foundation is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.

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- **Real Estate.** All gifts of real estate are subject to review by the Executive Committee. Before accepting any gift of real estate other than a personal residence, The SERV Foundation shall require an initial environmental review by a qualified environmental firm. If the initial analysis reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for accepting gifts of real estate include: Is the property useful for the organization'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 related to the property? Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

## Reporting requirements:

- All donations, grants, and event proceeds will be entered into the SERV Foundation accounts and distributed to appropriate accounts.
- Restricted gifts and grants will be entered into the SERV Foundation and distributed to the designated project, program, or event.
- The distribution of unrestricted funds will require the Foundation Board's approval and may be changed at any time.
- The Foundation must maintain a list of in-kind donations for purposes of reporting on the I-990.

## Donor Communications and Recognition:

SERV Behavioral Health System, Inc. and its businesses recognize the role of donors and their gifts in achieving its charitable purposes. In carrying out the Development Department's stewardship plan, staff will acknowledge donors in appropriate ways both publicly and privately. SERV will provide ongoing programs and initiatives for educating and informing donors and prospective donors about SERV, its activities, and the charitable needs of the consumers and communities serviced by SERV Behavioral Health System, Inc.

## Changes to Gift Acceptance Policies:

These policies and guidelines have been reviewed and approved by the SERV Foundation Board of Directors. The SERV Foundation Board of Directors must approve any amendments to these policies.

Approved on the 26th day of January 2021

Andre Caldini  
Chair, SERV Foundation Board of Directors