



LOMA LINDA
UNIVERSITY
MEDICAL CENTER

LOMA LINDA UNIVERSITY MEDICAL CENTER

OPERATING POLICY

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| CATEGORY: | GENERAL MANAGEMENT | CODE: | A-21 |
| SUBJECT: | GIFT ACCEPTANCE | EFFECTIVE: | 12/2017 |
| | | REPLACES: | 12/2014 |
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VISION: The Office of Philanthropy builds relationships and unites donor passion and resources with our institutions' strategic priorities to fulfill the vision of transforming lives around the globe.

PURPOSE: The purpose of the Gift Acceptance Policy is to provide guidance to the LLUMC community and the general public so as to facilitate the gift-giving process, in accordance with a Board-approved set of standards governing the negotiation and acceptance of gifts for LLUMC. These standards are designed to honor the prospective donor's wishes, ensure that the benefits of the gift are consistent with the mission of LLUMC, and minimize undue risk to LLUMC.

A. GENERAL PROVISIONS

1. LLUMC shall encourage philanthropic creativity and seriously consider all gifts offered to further its mission. Therefore, this policy is to be interpreted liberally so prospective donors may enjoy the greatest freedom possible in formulating their gifts.
2. Gifts that may expose LLUMC to adverse publicity, require inordinate expenditures, or involve LLUMC in out-of-the-ordinary responsibilities because of their source, condition, nature or purposes or are not consistent with the mission of LLUMC will not be accepted.
3. LLUMC cannot accept gifts which obligate it to violate applicable federal, state and local laws and regulations. Gifts that may give rise to unrelated business taxable income or other potential tax liability will be carefully scrutinized and are generally unacceptable.
4. The Board of Trustees is ultimately responsible for the gift policies of LLUMC. This responsibility cannot be delegated or waived.
 - 4.1 All fundraising programs and gift acceptance policies, and their day-to-day implementation are designed and managed by the Senior Vice President for

Advancement (SVPA), or that individual's designee, in conjunction with the appropriate LLUMC Trustees and/or senior administrators.

5. Notwithstanding any language in this policy to the contrary, it is the intent of LLUMC to comply with all applicable federal, state and local laws and regulations, act in accordance with nationally-recognized standards, and conform to the established policies of LLUMC.

B. USE OF GENERAL COUNSEL

1. When counsel required: LLUMC shall seek the advice of General Counsel in matters relating to acceptance of gifts when appropriate. Review by counsel shall be required for the following:
 - 1.1 Closely held stock transfers that are subject to restrictions or buy-sell agreements
 - 1.2 Documents naming LLUMC as Trustee
 - 1.3 Gifts involving contracts, such as bargain sales or other documents requiring LLUMC to assume an obligation
 - 1.4 Transactions with potential conflict of interest that may invoke IRS sanctions
 - 1.5 Gifts of real estate
 - 1.6 Other instances in which use of counsel is recommended and approved by the SVPA or designee and/or deemed appropriate by the Gift Acceptance Committee.
2. Donors urged to seek own professional counsel: LLUMC shall not provide legal, financial, tax accounting or other advice to prospective donors. All prospective donors are urged to seek their own legal and financial counsel, especially in matters relating to their prospective gifts and resulting tax and estate planning consequences.

C. CONFLICT OF INTEREST

1. LLUMC shall comply with applicable national standards and regulations relating to conflict of interest.
2. To avoid personal conflicts of interest, no member of the staff of LLUMC shall knowingly personally serve as Trustee, Attorney-in-Fact or Executor for a donor or prospective donor in a matter which affects the interests of LLUMC, unless the SVPA or designee gives consent, following full disclosure.

D. CONFIDENTIALITY

1. LLUMC shall respect donors' wishes regarding public disclosure of information about their gifts, including recognition. In appreciation for donor support, LLUMC periodically publicizes donor names, unless directed otherwise. All other information concerning donors and prospective donors (including their names, names of beneficiaries, amount of the gift, size of their estate) will be kept confidential, unless the donor or the donor's representative(s) authorized to act on behalf of the donor, grant(s) permission to use specified information for purposes of publicity, referral, testimonial or example.
2. Gifts from Anonymous Donors:
 - 2.1 A donor's right to remain anonymous in terms of external donor recognition will be respected, but full details of the gift will be recorded in the Raiser's Edge database.
 - 2.2 If a gift is offered anonymously, so that the donor is unknown to anyone at LLUMC, the Philanthropy Office will be charged with seeking such information from the donor's representatives so as to ensure it would be appropriate for LLUMC to accept the funds. This information will be shared with the Gift Acceptance Committee, which has the final authority to accept gifts from unknown sources.

E. RESTRICTIONS ON GIFTS

1. LLUMC shall accept unrestricted gifts, and gifts restricted for specific programs and purposes, provided the restrictions are consistent with its stated mission, purposes and priorities. LLUMC shall not accept gifts that are inappropriately restrictive in purpose. Such restrictions are those that violate the terms of the corporate charter, are too difficult to administer, are illegal or are for purposes outside the mission of LLUMC. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee.
2. Donors shall be encouraged to recognize that over the many years following the giving of a restricted gift, the needs, policies and circumstances related to such a gift may change in unforeseen ways.
3. Circumstances under which restrictions should be modified include, but are not limited to: the termination of an LLUMC program; a surplus of funds available from other sources to fulfill the designated purpose; the insufficiency of the restricted funds to fulfill the designated purpose where no funds from other sources are available to supplement the restricted funds; the designated purpose has been declared to be illegal

or the designated purpose is no longer consistent with the mission of LLUMC and its individual programs.

4. A written Gift Agreement with donor's agreement that LLUMC may modify the restriction under these circumstances is recommended. However, when substantive changes of this nature need to be made, in the absence of a previously-obtained written agreement by donor to such modification, LLUMC will make its best effort to obtain donor's consent to the revision. If donor consent cannot be obtained, LLUMC will seek legal counsel with respect to securing court approval of the revision. LLUMC will take into careful consideration the donor's wishes with respect to the changed restriction. The modified purpose will be as close to the original restriction as reasonably possible.

F. VALUATION OF GIFTS

1. The LLUMC Finance Office, in consultation with the LLUH Philanthropy Office, shall be responsible for valuing gifts for accounting purposes and following applicable standards.
2. The Philanthropy Office shall be responsible for valuing gifts for donor recognition purposes in the LLUMC donor database and following applicable standards.
3. Ultimately, it shall be up to the donor to provide proof of the value of a gift to be claimed as a tax deduction. Independent appraisals, when necessary for valuing a gift or for tax considerations, shall be the responsibility of the donor, not LLUMC.

G. AUTHORIZATION

1. Authorized Agents: The SVPA shall be the delegated authority from the CEO to accept all gifts or bequests to LLUMC. The SVPA, pursuant to the authority delegated by the CEO, shall further delegate the authority to accept gifts (subject to the policies and procedures stated in this policy) to the following agents of LLUMC:
 - 1.1 Assistant Vice President, Philanthropy
 - 1.2 Director, Planned Giving
 - 1.3 Director, Loma Linda University Foundation

It is the responsibility of all others, including without limitation, Philanthropy directors, departmental leaders or other LLUMC administrators, when presented with proposed gifts other than cash or marketable securities or while working with an estate, to bring such prospective gifts to the attention of the SVPA or one of the designated agents prior to accepting such gifts.

2. Gift Acceptance Committee: The Committee shall meet as necessary to consider specific planned gifts, gifts of real estate, gifts of significant risk, and gifts which may result in current or future financial obligations for LLUMC, reviewing the recommendation of and/or in consultation with the Philanthropy officer responsible for generation of such gifts, and legal counsel. When it is not practical for the committee to hold a meeting, it can be convened by telephone or via email to ensure a timely response. Consensus decisions of the Committee can be made by a simple majority, with any tie being broken by the Committee Chair.

2.1 Membership of the Gift Acceptance Committee shall be as specified in LLUH Policy "[Gift Acceptance](#)."

3. Gift Management Committee: The Committee shall have membership and function as specified in LLUH Policy "Gift Acceptance."

4. Donor Acknowledgement and Gift Receipts: There shall be distinction made between donor acknowledgement conducted at LLUMC and/or department level and official gift acceptance and acknowledgement that provides the donor with a receipt for tax purposes and LLUMC with a complete record of a donor's contributions.

4.1 The gift acceptance process shall be completed by presentation to the donor of an official gift receipt by the Office of Philanthropy.

NOTE: Exceptions to this are receipts prepared by the LLU Foundation for gifts to create or add to irrevocable planned gifts. Upon issuance of such receipts, the LLU Foundation will send a copy of the receipt to the Office of Philanthropy.

4.2 LLUMC executives and/or department staff are welcome to write letters of appreciation to donors for gifts to programs. However, these are not a substitution for the official acknowledgement and receipt that are issued by the Office of Philanthropy. Copies of such letters should be submitted to the Office of Philanthropy to include in the donor's record of contributions.

H. USE OF GIFTS

1. Outright gifts: Outright gifts are those in which the donor retains no interest and which are placed at the immediate disposal of LLUMC. They may be either restricted or unrestricted in purpose. Gifts received without a specific designation shall be deemed unrestricted.

2. Deferred gifts: Deferred gifts are those in which the donor retains either full ownership of or an interest in the gifted property for a period of time. Use by LLUMC is deferred

until the expiration of that time. Use of proceeds from deferred gifts is determined at the time the instruments are created. They may be either restricted or unrestricted.

J. TYPES OF ACCEPTABLE GIFTS

1. Acceptable gifts to LLUMC include, but are not limited to the following types of gifts, subject to the guidelines and policies set forth herein and established policies to be followed in the solicitation and acceptance of gifts (reference Attachment [A-21.B](#)).
 - 1.1 Cash
 - 1.2 Tangible personal property
 - 1.3 Securities
 - 1.4 Real estate
 - 1.5 Oil, gas, and mineral interests
 - 1.6 Life insurance
2. Criteria governing acceptance of gifts other than cash or marketable securities: The Gift Acceptance Committee shall consider the following when considering such gifts:
 - 2.1 Is the gift useful to the mission or purpose of LLUMC?
 - 2.2 Is the property marketable?
 - 2.3 Are there any undue restrictions on the use, display, or sale of the property?
 - 2.4 Are there any carrying costs for the property?
3. Gifts of vehicles are addressed in attachment [A-21.A](#).
4. Gifts of real estate include both commercial and residential, whether developed or not. Property gifts may be subject to one or more prior life interest(s). The Philanthropy officer coordinating the gift shall provide the GAC with a completed Environmental Audit form, followed by a Phase I audit of the subject property, at the donor's expense. Should the Phase I audit raise concerns about potential environmental liabilities, the GAC may request that the property undergo a Phase II environmental audit, at the donor's expense.
5. LLUMC shall not accept gifts of literature.

Related Policy:
[Gifts/Sponsorships \(I-18\)](#)

APPROVED: Hospital Executive Leadership, LLUMC Board, LLUMC Chief Executive Officer



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GUIDELINES

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| CATEGORY: | GENERAL MANAGEMENT | CODE: | A-21.A |
| SUBJECT: | VEHICLE GIFT ACCEPTANCE | EFFECTIVE: | 12/2017 |
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I. Introduction

Since the ownership and operation of vehicles is regulated by the State of California (Department of Motor Vehicles) and the U. S. Department of Transportation (Federal Highway Safety Administration, Title 49 CFR), proposed gifts of vehicles must be carefully reviewed to ensure LLUMC's compliance with these regulatory standards.

The Transportation and Fleet Services Department (Fleet Services) is recognized by LLUMC as the sole authority for the certification and safe operation of vehicles used by LLUMC, including the repair, maintenance, purchase, lease, certification of donation, and retirement of vehicles within the fleet. Therefore, proposed gifts of vehicles must be carefully reviewed by Fleet Services before acceptance of the gift.

Philanthropy staff are not to accept or imply acceptance of a vehicle as a gift until the process outlined in this document is complete. Written acknowledgement and an official receipt for tax purposes will be issued by the LLUH Philanthropy Office after it receives a completed "Certification of Vehicle Donation" form and DMV documents from Fleet Services .

II. Vehicle Acceptance

In addition to meeting criteria in the LLUMC Gift Acceptance Policy (A-21, Section J.) regarding criteria for the acceptance of gifts of tangible personal property (usefulness, marketability, restrictions, and costs), all vehicles offered to LLUMC as donations must be reviewed by Fleet Services to ensure compliance with state and federal codes. LLUMC reserves the right to accept and/or decline any vehicle as a donation.

Procedure:

1. When Philanthropy staff speak with a donor about a possible gift of a vehicle, they need to inform the donor that a review and certification process needs to be completed by Fleet Services before we can accept the gift.

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2. In the initial inquiry, Philanthropy staff should get the following:
 - a. Vehicle information: make, model, year, mileage
 - b. Condition of vehicle – operating or not
 - c. Registration status – current or not
3. The initiating Philanthropy staff member is to then contact the LLUH Director of Philanthropy Services, who will work with the Fleet Services Administrator to determine if there is a need for and interest in this vehicle being added to the fleet.
4. If the Fleet Services Administrator wants to move forward with the inspection and certification process, he will contact the LLUH Director of Philanthropy Services to follow up with the initiating Philanthropy staff member to inform the donor that the vehicle will have to be inspected and certified prior to the acceptance of the gift and that Fleet Services Management will inspect the vehicle in accordance with Fleet Services Operating Policy. This inspection will take about three hours. Appointments must be made for the inspection of vehicles. The following documents will need to be brought with the vehicle to the inspection:
 - a. State issued certification of ownership
 - b. Current vehicle registration
 - c. Current California smog certificate
5. The Fleet Services Vehicle Inspection & Certification includes:
 - a. General condition
 - b. Vehicle safety equipment
 - c. Vehicle mechanical systems
 - d. Vehicle electrical systems
 - e. Vehicle environmental systems (smog)
 - f. Determination that vehicle is free of major defects and/or needed repairs
 - g. Verification that vehicle meets current LLUMC fleet needs
6. Vehicles which pass the inspection will be issued a certificate of acceptance, which will be forwarded to the LLUH Director of Philanthropy Services, who will then notify the initiating Philanthropy staff member of the acceptance. The Philanthropy staff member will then make arrangements for the donor to deliver the vehicle to Fleet Services, along with the necessary paperwork for transfer of title.
7. Upon receipt of the vehicle, the Fleet Services Administrator will send copies of the vehicle registration and title to the LLUH Director of Philanthropy Services so a letter of acknowledgement and receipt can be sent to the donor.

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8. Vehicles that do not meet the guidelines in Step 5 will be deemed unacceptable by the organization. The Fleet Services Administrator will contact the LLUH Director of Philanthropy Services, who will notify the Philanthropy staff member who initiated the request that the vehicle to be donated did not meet the guidelines for acceptance. Even though LLUMC chooses not to accept the vehicle, the donor may still wish to donate the vehicle to another charity – some of which will sell the vehicle and forward the net proceeds to the donor’s charity of choice.
9. It is the responsibility of the initiating Philanthropy staff member to notify the donor in writing as to the decision to Fleet Services regarding the acceptability of the vehicle. Fleet Services will make no comment to the donor other than the inspection has been completed.
10. Any vehicle deemed to be unacceptable by Fleet Services will, under no circumstance, be operated at any time by staff, faculty or student for any reason.

III. Fleet Assignment

1. Donors may request specific departments they would like to benefit from use of the vehicle. However, LLUMC reserves the right to assign vehicles to meet the needs of the organization. Fleet Services, under the direction of the Fleet Services Administrator, will assign the vehicle identification numbers and then deliver the vehicle to the department that has a current vehicle request on file. If no such request is on file, then the vehicle will be assigned to the Department to be used in the organization’s motor pool inventory.
2. Vehicles accepted by the organization will generally be put into the fleet. However, any vehicle accepted by the organization and then not placed into service within the fleet may be sold. Vehicles that do not meet the current fleet needs as far as type of vehicle, intended use, specialized equipment etc., will be sold at the organization’s discretion. If the donor requested that a specific department or program benefit from the vehicle, then net proceeds from the sale of the vehicle will be allocated to that department or program.
3. LLUMC reserves the right to use, sell and or transfer any donated vehicles to meet the needs of the organization. LLUMC applies no warranty as to the use of the vehicle or to the length of time the vehicle will be in service.
4. Employees of LLUMC may donate vehicles to LLUMC. However, if they wish to restrict the vehicle’s use to their department, the gift will need to be further reviewed by the LLUH Gift Acceptance Committee to avoid any possible question of conflict of interest. After getting initial approval from the Fleet Services Administrator, the request is to be submitted to the LLUH Gift Acceptance Committee before the inspection and

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certification process. Upon their decision, the LLUH Director of Philanthropy Services will notify the initiating Philanthropy staff member of the outcome, so the donor can be informed and the appropriate next steps be taken (i.e. pending successful completion of the inspection and certification process, the vehicle will be assigned to the proposed department or into the general fleet).

IV. Vehicle Retirement & Sales

1. LLUMC reserves the right to retire and/or sell donated vehicles at its sole discretion. Should a donated vehicle be retired and/or scrapped because of an accident and/or a major component failure which has rendered the vehicle non-operational, the donor's declared tax contribution should not be impacted.
2. If a donated vehicle is sold prior to three years of operation and ownership by LLUMC – because the organization no longer has a need for the vehicle, and the vehicle is in proper operating condition – LLUMC will notify the donor in writing that in accordance with IRS tax codes of the sale of the donated property, LLUMC will file Form 8282 with the IRS regarding the sale price of the vehicle. A copy of Form 8282 will be sent to the donor advising them of the sale. Said sale may affect the donor's charitable tax contribution deduction, and LLUMC recommends that the donor consult a tax expert as to the effect of this action upon the donor.



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| CATEGORY: | PHILANTHROPY | CODE: | A-21.B |
| SUBJECT: | GIFTS-IN-KIND | EFFECTIVE: | 12/2017 |
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DEFINITION: Gifts-in-kind are contributions other than cash or marketable securities. Before accepting such gifts, the proposed gift must be presented to the Gift Acceptance Committee, per LLUH Policy [Gift Acceptance](#).

IRS Documentation

1. As a courtesy, Philanthropy Services staff may provide donors with a copy of Internal Revenue Service (IRS) Form 8283, which donors need to complete for non-cash gifts. However, it is the responsibility of each donor to consult with his or her own professional advisors regarding the completion of the form and tax-deductibility of gifts-in-kind.
2. For gifts with an apparent value of \$5,000 or more, the IRS requires an independent appraisal along with IRS form 8283 signed by the appraiser and LLUMC. After IRS Form 8283 has been signed by the appraiser, the Executive Director of Philanthropy Services is authorized to sign IRS Form 8283 on behalf of LLUMC, attesting to the receipt of the gift, but not the value.

Disposing of Gifts-in-kind

1. The general practice regarding the disposition of gifts-in-kind is that LLUMC will divest itself as quickly as possible of such gifts, unless the gift-in-kind is placed into use by LLUMC to further its mission. While LLUMC seeks to maximize the value received from gifts-in-kind, disposition is made without regard to donor appraisal, and LLUMC assumes no responsibility for any variance between the appraised value and the amount obtained from the sale.
2. The IRS has specific reporting requirements for disposing of property received as gifts. Specifically, gifts valued at \$5,000 or more, which are disposed of within three years of the date of the gift, are subject to reporting to the IRS on Form 8282.

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3. Philanthropy Services is responsible for coordinating with the LLUMC Finance Office to meet these reporting requirements – based on information received from the departments benefitting from the gift in kind. It is vital, therefore, that these departments contact Philanthropy Services immediately upon disposition of a gift in kind valued at \$5,000 or more.

4. The Finance Office completes IRS Form 8282 and sends it to the IRS. It then sends a copy of the form to Philanthropy Services to send to the donor and also to scan and attach to the donor's file in Raiser's Edge.