

# Deerfield Academy Gift Acceptance Policy

Approved by the Advancement Committee of the Board of Trustees on October 29, 2023

## Deerfield Academy Mission Statement

Deerfield Academy is an independent secondary school committed to high standards of scholarship, citizenship, and personal responsibility. Through a rigorous liberal arts curriculum, extensive co-curricular program, and supportive residential environment, Deerfield encourages each student to develop an inquisitive and creative mind, sound body, and strong moral character.

Set in a historic village bounded by river, hills, and farms, Deerfield inspires reflection, study and play, abiding friendships, and a defining school spirit. A vibrant, ethical community that embraces diversity, the Academy prepares students for leadership in a rapidly changing world that requires global understanding, environmental stewardship, and dedication to service.

### I. Purpose of this Policy Document

The Trustees of Deerfield Academy appreciate and depend upon the generosity of the alumni, parents and friends who support the Academy's mission. What follows are the Academy's policies for accepting donations. All of Deerfield's practices in connection with receiving gifts conform to Internal Revenue Service and Commonwealth of Massachusetts regulations and laws, and are reviewed regularly to ensure they adhere to generally accepted best practices within the independent secondary school sector. Consistent enforcement of this policy is the responsibility of the Chief Advancement Officer. The policy shall be reviewed periodically and may be amended from time to time as needed.

### II. Mission Support

Donations must support the furtherance of the Academy's mission and enhance Deerfield's ability to educate its students. Gifts should be given with philanthropic intent. Donors should not have any expectation of benefit to themselves or their families, or of influence over Academy activities. Deerfield does not accept gifts with which donors seek to drive curricular or other changes that do not fall within the Academy's current operating program or identified institutional needs.

### III. Role of the Office of Advancement

The Office of Advancement is the sole department with authority to fundraise for Deerfield Academy. Advancement will cultivate and solicit gifts only for those purposes deemed by the Board of Trustees as priorities. The Chief Advancement Officer will consult with the Gift Acceptance Committee for approval to raise money or to accept gifts for purposes not explicitly deemed institutional priorities. (Gift Acceptance Committee defined in Section VI.)

The Office of Advancement is also responsible for the management and reporting of gifts and shall be guided by the standards of accounting and reporting established by the Council for Advancement and Support of Education (CASE) and the National Association of Independent Schools (NAIS). All gifts and pledges will be recorded in compliance with IRS regulations.

#### **IV. Responsibility to Donors**

- A. Donor Rights: Deerfield endorses the Donors Bill of Rights, promulgated by the Council for Advancement and Support of Education (CASE), the Association of Fundraising Professionals (AFP) and other non-profit advocates. (APPENDIX A)
- B. Gift Restrictions: Deerfield Academy seeks gifts that provide support to its institutional needs and priorities. Deerfield will make reasonable efforts to accommodate donor intent regarding specific use of any particular gift, but Deerfield will not accept any gift that requires it to meet particular donor conditions deemed by the Gift Acceptance Committee to be overly restrictive, or to fall outside of the Academy's purview, long-term plans or general best interests.
- C. Confidentiality: Personal and financial information obtained by Deerfield Academy in the process of accepting a gift from a donor shall be held by the Academy in strict confidence, except in the case of disclosure required by legal or regulatory agencies.
- D. Anonymity: The Academy will make every effort to respect the wishes of any donor wanting to remain anonymous, and has implemented reasonable procedures to safeguard such donors' identity. Deerfield will not accept any gift from donors whose identity is not known to the most senior Deerfield Academy officials.
- E. Disclaimer: Deerfield staff shall endeavor to assist donors in accomplishing their philanthropic objectives in providing support to the Academy, but in no case will Deerfield staff offer financial, charitable or tax advice to donors. Legal counsel retained by Deerfield Academy to help facilitate a donor's outright or planned gift shall represent Deerfield's interests only. Donors are responsible to obtain their own independent legal, tax and financial counsel in connection with making any donation to Deerfield Academy.

## **V. Right to Refuse**

Deerfield will not accept any gift that may damage or compromise its reputation, nor any gift that the Gift Acceptance Committee deems inappropriate in light of the donor's disclosed personal or financial situation. No gift may impose an unreasonable or undue financial, legal or administrative burden on Deerfield Academy or its faculty, staff, students, or other resources. Deerfield Academy reserves the right to refuse any gift from any donor, and reserves the right to rescind its acceptance of any gift that does not adhere to the tenets stated in this document.

## **VI. Gift Acceptance Committee**

Gifts that do not easily and readily meet the standards for acceptance outlined in this policy should be referred to the Gift Acceptance Committee for review and approval. The Gift Acceptance Committee has authority to interpret existing Academy policy in regard to charitable gifts and related matters.

- A. Members: Deerfield Academy's Gift Acceptance Committee shall be chaired by the Chief Advancement Officer and include the: Chief Financial Officer, Chair of the Trustee Advancement Committee, and Head of School.
- B. Other participants: The Academy's legal counsel shall be consulted as needed. Committee members may involve appropriate department staff and representatives of other relevant departments as needed.
- C. Gifts requiring committee approval:
  - Gifts with a value in excess of \$5 million
  - Gifts of real property
  - Gifts of assets other than cash or publicly traded securities with a value in excess of \$100,000
  - Gifts that require a financial commitment by Deerfield Academy (other than charitable gift annuities), including calls, puts, reserves, or restrictions on Deerfield's ability to dispose of the donated property
  - Gifts that could have reputational implications for the Academy or are potentially inconsistent with this Gift Acceptance Policy
  - Gifts from international entities not already known to or affiliated with Deerfield Academy
  - Gifts that may have real (or perceived) conflicts of interest for the donor or the Academy
  - Gifts that support initiatives that are not currently defined as institutional priorities

Decisions regarding acceptance of all other gifts rests with the Chief Financial Officer.

## **VII. Guidance for other Offices and Programs of Deerfield Academy**

All members of the academy – faculty, staff or volunteer – approached by potential donors should immediately consult with the Office of Advancement. Advancement will advise in order to ensure adherence to these policies, and also to reduce uncoordinated approaches to particular donors.

## **VIII. Donor Recognition**

The Chief Advancement Officer, in concert with the Advancement Committee of the Board of Trustees, may establish criteria for the recognition of donors with certain honors based on various giving levels and types of gift. These honors may include the listing of the donor's name on a roll or plaque, or invitation to donor recognition events.

Deerfield Academy reserves the right to revoke its commitment regarding a naming opportunity should any situation arise in which the Board of Trustees determine in their discretion that the naming is detrimental to the Academy's reputation. The Office of Advancement will make all reasonable efforts to inform, in advance, the original donors when a naming is being reviewed for possible revocation.

Except in the case of naming opportunities specifically listed in the context of a fundraising campaign, Advancement staff, faculty, staff, or volunteers shall make no commitment to a donor concerning the naming of positions, buildings, facilities, or specific spaces on campus without the approval of the Board of Trustees, upon recommendation of the Chief Advancement Officer. (See separate Naming Guidelines document for additional details).

## **IX. Assets That May Be Accepted as Gifts**

1. Listed below are some of the asset types that Deerfield will accept:
  - Cash or equivalent (e.g. wire transfer, credit card, check payable to Trustees of Deerfield Academy) directly from donor or donor's agent, or from donor advised fund, charitable lead trust, or private foundation
  - Publicly traded securities
  - Insurance policies that are fully funded and have cash value
  - Corporate matching gifts
2. Deerfield may accept, after due diligence, and entirely at its discretion:
  - Privately-held stock (e.g. stock in privately-held companies)
  - Cryptocurrency
  - Royalties
  - Intellectual property rights
3. Partnerships and other Liabilities: Deerfield will not accept interests in partnerships, LLCs or other investment entities exposing the Academy to liability, including the obligation to provide capital contributions or other funding for the investment, without adequate indemnity from the donor to fulfill those obligations.
4. Bargain Sales: Commitment of Deerfield Academy funds in a bargain sale transaction to acquire assets from a donor shall require the advance approval of the Chief Financial Officer. Such approval shall generally be restricted to situations in which the asset to be

acquired is one which will be used by Deerfield to advance its educational mission or that can be readily disposed of for cash within a reasonable time.

5. Gifts-in-kind: Deerfield may accept donations of tangible personal property that are: (a) related to the Academy's mission; or (b) convertible to cash, with donor's knowledge, with relatively little expense to Deerfield.
  - Gifts of materials for the Boyden Library must be approved in advance by the Library Director
  - Gifts of artwork for the Academy's permanent collection must be approved in advance by the Director of the von Auersperg Gallery
  - Gifts of equipment or supplies for athletics or the academic program must be approved in advance by the appropriate department head
  - Gifts of equipment or supplies for Facilities or Dining must be approved in advance by the Director of Operations

Donations of jewelry, antiques, coin or stamp collections, or other valuables that are to be re-sold by Deerfield in order for the Academy to realize cash proceeds, must be approved in advance by the Chief Financial Officer. (NOTE: donors' tax deduction may be affected if donated items are sold.) Acceptance of all tangible personal property valued at \$100,000 or more must be approved in advance by the Chief Financial Officer.

6. Real estate: Deerfield will consider accepting gifts of real estate, provided that the assets are: (a) desired by the Academy for its own educational use; or (b) can be readily sold, with donor's knowledge, with minimum expense to Deerfield. The Academy may also consider accepting undivided fractional interests in real estate, provided that such interests can be readily sold. The Academy may also consider gifts of real estate subject to a retained life estate, bargain sale, or as a possible funding asset for a charitable gift annuity.

## **X. Life Income Gifts and Bequests**

- A. Charitable Gift Annuities: Deerfield will accept gifts in exchange for charitable gift annuities, deferred charitable gift annuities, or flexible deferred charitable gift annuities as long as donors meet the age requirements in effect at the time of the gift, as well as Deerfield's required minimum gift level. Gift annuities should be funded with liquid assets. All exceptions will require Gift Acceptance Committee approval.

Deerfield's charitable gift annuity rates will be guided by the recommendations of the American Council on Gift Annuities (ACGA), but Deerfield reserves the right to offer its own rate schedule, which may differ from that published by the ACGA. Deerfield is registered to do business in the Commonwealth of Massachusetts, and its charitable gift annuity contracts are governed by the laws of the Commonwealth of Massachusetts. Deerfield provides every prospective charitable gift annuity donor with full disclosure of

regulations, institutional practices and specific terms that pertain to the prospective gift annuity. (APPENDIX B)

- B. Charitable Remainder Unitrusts or Annuity Trusts: Deerfield offers a Charitable Remainder Trust (CRT) Program, in which Deerfield's legal counsel can provide a draft charitable remainder trust document for the donor's counsel to review. Any changes to that draft must be approved by Deerfield legal counsel in order to participate in the program. Deerfield maintains an institutional relationship with a third-party custodian to serve as trustee and asset manager for CRTs created by Deerfield donors as described in this paragraph. Deerfield will not serve as trustee for donors' charitable remainder trusts.

Deerfield provides every prospective CRT donor with full disclosure of regulations, institutional practices and specific terms that pertain to the its Charitable Remainder Trust Program. (CRT Acceptance Policy attached as APPENDIX C)

- C. Pooled Income Funds: Deerfield has two Pooled Income Funds under management by a custodian bank, but will not accept further contributions to either pool. Deerfield reserves the right to create new pooled income funds at any time.
- D. Bequests: Deerfield Academy reserves the right to disclaim assets proposed for distribution from an estate when inconsistent with these policies or otherwise determined by the Gift Acceptance Committee to not be in the Academy's best interest.
- E. Use of Third Party to Accept Certain Donated Assets: In certain cases, Deerfield may deem it prudent to work with an independent non-profit organization to: (1) accept donation of an asset on Deerfield's behalf; (2) liquidate the asset; and (3) remit the proceeds (less agreed-upon fees) to Deerfield for its charitable purposes.

## APPENDIX A

*The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations.*

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# The 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:

- I. 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.
- II. 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.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

## APPENDIX B

### **Deerfield Academy Charitable Gift Annuity Disclosure Statement**

[for FY'22 – endowment info. updated annually in November]

A charitable gift annuity is a simple contract between the donor(s) and The Trustees of Deerfield Academy. The donor(s) makes a gift to Deerfield Academy for its tax-exempt educational purposes, and Deerfield promises to return fixed annual payments to one or two named beneficiaries for their lifetime(s). Because of the split-interest nature of the gift, only a portion of the donated amount may be claimed by the donor as a charitable tax deduction on an itemized federal tax return in the year of the gift.

- The donor(s) transfers cash or marketable securities to Deerfield Academy in order to establish the gift annuity.
- Payments at a fixed rate, which locks in on the date of gift, are made to the named annuitant(s) for life, in accordance with the terms of the annuity contract (included herein by reference).
- The age(s) of the annuitant(s) are rounded to the nearest whole year(s).
- The laws of the Commonwealth of Massachusetts govern the conduct of the parties relative to the annuity.
- This annuity is not insurance under Massachusetts law and is not subject to regulation by the Massachusetts Division of Insurance, or protected by an insurance guarantee association.
- A charitable gift annuity is, first and foremost, a charitable gift. It is not, and should not be considered, an investment.

Gift annuity payments are a general obligation of the Trustees of Deerfield Academy, and are backed by its general assets (subject to existing securities interests, debt issues, and donor-imposed restrictions). On June 30, 2022, the end of the Academy's most recent fiscal year, the total endowment assets were approximately \$789 million. Deerfield's endowment is invested prudently in accordance with best practices for non-profit educational organizations. Investment decisions are made by the Investment Committee of the Board of Trustees. In the unlikely event that Deerfield Academy should ever fail financially, individuals entitled to receive annuities would qualify as general creditors of the Academy, to the extent the Academy could not otherwise continue to satisfy an annuity obligation.

Deerfield Academy was established in 1797. Deerfield is a vibrant learning community nurturing high standards of scholarship, citizenship and personal responsibility. Through a demanding liberal arts curriculum, extensive co-curricular program and supportive residential environment, Deerfield encourages each student to develop an inquisitive and creative mind, sound body, strong moral character and a commitment to service.



## APPENDIX C

### Deerfield Academy Charitable Remainder Trust Acceptance Policy

September 6, 2017

Deerfield Academy's Office of Gift Planning will assist donors in establishing charitable remainder trusts that benefit specific individuals for their lifetimes (or a term of years), with trust principal eventually passing to Deerfield Academy (Deerfield). Charitable remainder trusts must qualify under Section 664 of the Internal Revenue Code. They may take the form of:

- (a) fixed payout Charitable Remainder Annuity Trusts (CRATs); or
- (b) variable payout Charitable Remainder Unitrusts (CRUTs).

A full description of charitable remainder trusts is contained in Deerfield Academy's "Charitable Remainder Trust Program Disclosure Statement."

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Deerfield does not serve as trustee of CRATS and CRUTs, but currently has a contractual relationship with State Street Global Advisors (SSGA), which serves as trustee and investment manager for trusts in Deerfield's program. Each trust bears its allocable share of the costs of the mutual funds in which it is invested, as well as a pro rata share of the cost of retaining SSGA as trustee and asset custodian, as well as an annual tax preparation fee. Deerfield provides a sample trust document that donors can share with their own attorneys. Any changes must be approved by Deerfield and by SSGA.

To be accepted into Deerfield's Charitable Remainder Trust Program, a trust must meet the following criteria:

- Deerfield must be irrevocably designated as charitable remainder beneficiary for 51% or more of the trust principal
- Deerfield's share of the trust must equal \$100,000 or more at the time of funding
- The trust document must explicitly empower Deerfield to appoint and to remove the trustee
- The trust will be governed by the laws of the Commonwealth of Massachusetts
- Proposed funding assets must be reviewed and approved by Deerfield and the trustee
- Additions to a CRUT may be made in any amount of \$10,000 or more
- Donors must sign a statement indicating they have read Deerfield's Charitable Remainder Trust Program Disclosure Statement
- For trusts that name more than one charitable remainder beneficiary, the non-Deerfield beneficiary(ies) must accept in writing Deerfield's appointment of SSGA as initial trustee and Deerfield's right to change the trustee in future. Deerfield will inform the non-Deerfield remainder beneficiary(ies) of any change in trustee.