

I. Introduction

The Humane Society of Carroll County (HSCC), a nonprofit organization organized under the laws of the State of Maryland, solicits and accepts gifts that help advance its mission of caring for animals. HSCC welcomes both current and deferred gifts from individuals, corporations, and foundations to support its programs and ensure long-term financial stability.

This policy outlines the procedures and guidelines governing the acceptance of gifts for HSCC's operations, programs, or services. Special gifts are considered individually, and final decisions on acceptance are made by the HSCC Board of Directors.

II. Legal and Ethical Considerations

- a. HSCC does not provide accounting, tax, or legal advice, but works in cooperation with a donor's advisors. Prospective donors are strongly encouraged to consult their personal legal and financial advisors regarding the implications of gifts, including tax and estate planning consequences.
- b. HSCC may seek the guidance of legal counsel regarding the acceptance of certain gifts. Counsel review is recommended in situations including:
 - i. Securities subject to restrictions or buy-sell agreements.
 - ii. Documents naming HSCC as trustee or requiring HSCC to act in a fiduciary capacity, including:
 1. Gifts that impose financial or other obligations on HSCC.
 2. Transactions with potential conflicts of interest.
 3. Gifts of property potentially subject to regulatory restrictions.
- c. HSCC will not compensate, whether through commissions, finder's fees, or other means, any third party for directing a gift or donor to HSCC. In cases of irrevocable deferred gifts involving the management of assets, such payments may trigger federal or state securities regulations.
- d. HSCC does not pay commissions or percentages associated with negotiation and acceptance of any form of gift.
- e. All gifts are also subject to other HSCC policies, including the Conflict of Interest Policy.

III. Donor Consideration and Recognition

- a. HSCC accepts unrestricted gifts and gifts for specific programs, provided they align with the organization's mission and priorities. Gifts that are excessively restrictive may be declined. Examples include gifts that:
 - i. Conflict with HSCC's bylaws;
 - ii. Threaten IRS 501(c)(3) status;
 - iii. Are overly costly or complex to administer;
 - iv. Create unacceptable consequences for HSCC;
 - v. Fall outside the organization's mission.
- b. The Executive Committee, in consultation with the Executive Director, decides on acceptance of restrictive gifts.
- c. Gifts may be made in honor or memory of individuals. Notification of the gift may be sent to a third party upon request; the gift amount will not be disclosed.
- d. Donor intent regarding restricted gifts or anonymity is respected. Only staff with a need to know will access information about anonymous donors.
- e. Donor privacy is governed by HSCC's Donor Privacy Policy.

IV. General Gift Acceptance

- a. All charitable contributions, regardless of value, form, or designated use, are made only to HSCC, using the proper legal name, "Humane Society of Carroll County."
- b. Gifts received via postal mail are recorded as of the date postmarked. Hand-delivered gifts are recorded as of the date of receipt. Gifts made via credit card over the phone are recorded as of the date received, and online credit card gifts are recorded as of the date of the transaction.
- c. The gross amount of donations made via credit card or online payment is credited to a donor for recognition purposes. For accounting purposes, donations are recorded net of credit card processing fees.
- d. Pledges are considered on a case-by-case basis.
- e. Use of Grant Funds
 - i. All grant funds given to HSCC are to be spent in accordance with the funding agreement provided by each grant.
 - ii. Prior to submission of a grant proposal, the grant writer is responsible for verifying that HSCC can use the funds as requested.
- f. Gift Acknowledgment and Substantiation
 - i. HSCC will provide acknowledgment to donors meeting IRS substantiation

requirements for property received by the charity as a gift.

ii. For cash gifts of \$250 or more, HSCC will provide a contemporaneous written acknowledgment (CWA) including:

- Donor name
- Gift date and amount
- Description of any goods or services provided in return
- Statement regarding the tax deductibility of the gift

iii. HSCC staff shall remain informed of federal and state tax law changes, including the universal charitable deduction beginning in 2026, but HSCC does not provide legal or tax advice.

g. IRA and Retirement Account Gifts (-1018)

i. Qualified charitable distributions from IRAs are accepted in accordance with current federal law (e.g., individuals age 70½ or older may transfer up to \$100,000 annually from an IRA or Roth IRA).

ii. Each spouse may make separate transfers if applicable.

iii. Such gifts are excluded from donor income for federal tax purposes but do not generate a charitable deduction.

h. State and Local Tax Credits

i. Donors who receive state or local tax credits for gifts may have limitations on their federal charitable deduction.

ii. HSCC will provide proper gift acknowledgment but does not advise donors on state or local tax consequences.

i. Gift Reporting and Appraisals

i. Donors are responsible for providing any required appraisals for gifts of property, including real estate, tangible, or intangible personal property, and for any associated fees.

ii. HSCC may obtain independent appraisals at its expense as deemed necessary.

iii. HSCC will acknowledge gifts in accordance with federal tax law, including IRS Forms 8283 or other required documents, without assigning value unless otherwise directed.

V. Gifts Generally Accepted Without Review

1. Cash

a. Cash gifts are acceptable in any form (check, money order, credit card, online).

b. Checks and money orders payable to the Humane Society of Carroll County.

- c. Never payable to an employee, volunteer, or agent.
 - d. Wire transfer instructions provided upon request.
 - e. Credit card gifts may be made by providing card type, number, expiration, and cardholder name.
- 2. Bank and Investment Accounts
 - a. POD or TOD accounts designate HSCC as beneficiary; assets remain fully controlled by the donor while living.
- 3. U.S. Savings Bonds
 - a. Can be bequeathed to HSCC; income taxes on interest are not due if gifted.
- 4. Marketable Securities
 - a. Transfer via brokerage or physical delivery with proper endorsement.
 - b. HSCC will sell securities promptly unless directed otherwise.
 - c. Acceptance of restricted securities requires Executive Committee review.
 - d. Securities recorded at deposit date.
- 5. IRA Charitable Distributions
 - a. Taxpayers 70½ or older may transfer up to \$100,000 annually from IRA/Roth IRA to HSCC. 5-1018
 - b. Transfers excluded from income; do not generate a tax deduction but count toward RMD.
- 6. In-Kind Gifts
 - a. Donations of goods or services supporting HSCC's mission.
 - b. Acceptance based on mission relevance and financial benefit; HSCC may decline gifts.
- 7. Bequests and Beneficiary Designations
 - a. Donors may name HSCC as sole, partial, remainder, or contingent beneficiary.
 - b. Bequests may be unrestricted or designated for a specific program. 6-1018
- 8. Charitable Remainder and Lead Trusts
 - a. HSCC may be named a beneficiary but does not manage the trusts.

VI. Gifts Subject to Prior Review

1. Tangible Personal Property — Reviewed by Executive Committee based on mission alignment, marketability, restrictions, carrying costs, and clear title.

2. Real Estate — Requires appraisal and Executive Committee approval; criteria include usability, marketability, restrictions, carrying costs, and condition. 7-1018
3. Life Insurance — HSCC may accept policies where it is both irrevocable owner and beneficiary; donor responsible for premium payments.
4. Other Property — Considered on a case-by-case basis; the Board uses sound fiscal and legal rationale for acceptance.

VII. Administrative Considerations

1. Donors are responsible for appraisals, legal, accounting, transportation, and related fees.
2. HSCC may obtain independent appraisals at its expense.
3. Acknowledgment for IRS purposes is provided without assigning a value.
4. Prospective donors remain responsible for their own legal and financial guidance.