



## **Gift Acceptance Policy**

**LG Health Foundation Mission Statement:** The mission of the Lancaster General Health Foundation is to grow philanthropic relationships within the community to advance the mission of Lancaster General Health.

### ***I. Purpose of Policy and Guidelines***

The LG Health Foundation (LGHF) oversees the acceptance and receipting of all charitable gifts made to Lancaster General Health (LG Health) and its tax-exempt affiliates. This gift acceptance policy (the Policy) will govern the acceptance of all gifts made to LGHF for the benefit of LG Health and its tax-exempt affiliates. It is preferred that all gifts made to LG Health, or a tax-exempt affiliate, are made payable to the LG Health Foundation. This Policy will be reviewed and approved on an annual basis by the LG Health Foundation Board of Trustees (the Trustees).

The purposes of this Policy are to:

- Govern the acceptance of gifts;
- Provide guidance to donors and their professional advisors in completing gifts;
- Protect the best interests of those who make voluntary contributions to support the purpose of LGHF; and
- Protect the interests of LG Health, LGHF, as well as any affiliates.

### ***II. Involvement of Legal Counsel***

The LGHF office shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate. LGHF will also strongly urge and advise the donor to seek independent professional counsel prior to making a gift. Involvement by legal counsel is recommended for:

- Review of closely-held stock transfers that are subject to restrictions or buy-sell agreements;
- Review of documents naming LGHF, LG Health or an affiliate as Trustee;
- Review of all gifts involving contract, such as bargain sales, real estate transfers, or other documents requiring LGHF, LG Health or an affiliate to assume an obligation;
- Review of all transactions with potential conflict of interest that may invoke IRS sanctions; and
- Such other instances in which use of counsel is deemed appropriate.

### ***III. Conflict of Interest***

All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. LGHF will comply with the most current version of the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving.

### ***IV. Restrictions on Gifts***

Gifts restricted for purposes outside of LG Health's established funding priorities may be made at a minimum threshold of \$5,000 for the PA College of Health Sciences and \$10,000 for all other tax-exempt affiliates of LG

Health provided that such gifts are consistent with the organizations' stated mission, purposes, and priorities. In setting up a temporarily restricted fund, the Foundation will work with the donor(s) and LG Health leadership on formally signed guidelines that define the use and purpose of the fund.

LGHF will not accept gifts that are too restrictive in purpose. In general, gifts will be considered too restrictive if the gift would violate the terms of any governing documents (that is, the articles of incorporation or bylaws), if they are overly burdensome to administer, or if they are for purposes outside the mission, purposes or priorities of LG Health. All final decisions on the restrictive nature of a gift and its acceptance or refusal shall be made by the Executive Director of LGHF in consultation with LG Health Executive leadership.

## ***V. Permanent, Named Endowments***

**Definition:** An endowment is a financial asset made to a non-profit tax exempt organization consisting of investment funds or other property with an expectation that income will support either restricted or unrestricted purposes. Most endowments are designed to keep the principal amount intact while using the investment income from dividends for charitable efforts. Endowment funds may be created or added to through gifts of cash, securities, real estate, life insurance, or bequests.

**Establishment:** Donors may contribute to an existing endowment fund with a gift of any size or establish a new endowment with a gift of \$25,000 or more. Permanently endowed funds may bear the donor's name or be named to honor someone chosen by the donor. Endowment funds may be unrestricted as to their usage, or restricted to support a particular part of the LG Health's mission or operations. In setting up an endowment, the Foundation will work with the donor(s) and LG Health leadership on formally signed guidelines that define the use and purpose of the endowment.

**Investment Management and Spending:** Except as otherwise required by law or regulation, donor-restricted endowment funds will be co-mingled for investment purposes. Investment strategies are determined to maximize return on the investments while maintaining and growing the principal for future sustainability. LG Health utilizes the services of the Office of Investments at the University of Pennsylvania ("University"), where the University will invest the gift as an endowed fund, which it may pool and manage with its other endowed funds in accordance with regular University investment and management policies. Net income from the fund, as determined by application of LG Health's and University's spending rule policies (and it may be amended from time to time), will be used in support of the fund's purpose.

The annual spending rate will be reviewed on an ongoing basis by the University of Pennsylvania Office of Investments, in compliance with LG Health's Endowment Spending Policy (attached as Appendix A). Total return in excess of the actual spending distribution shall be reinvested and shall be considered principal for all future distribution computations.

**Accounting:** Endowment fund activity will be recorded in accordance with Generally Accepted Accounting Principles. Accounting records will be maintained for each endowment fund showing principal, return, and use of funds. The LG Health Finance Office will provide a complete accounting of each fund as requested. The Finance Office in coordination with LGHF, will review endowment documents and funding requests as provided to ensure the expenditure meets the criteria set forth by the donor.

## ***VI. Quasi-Endowment***

Quasi-endowment funds are funds functioning as an endowment that are typically established by the institution from either donor or institutional funds, and will be retained and invested rather than expended.

The quasi-endowment must retain the purpose and intent as specified by the donor or source of the original funds, and earnings may be expended only for those purposes.

### ***VII. Authorization and Accepting/Declining a Gift***

LGHF may choose to decline a gift for any reason including if one or more of the following conditions are known:

- There are conditions to a gift and its designation that are not consistent with the purpose, values, mission and objectives of LG Health;
- The gift could financially jeopardize the donor or LG Health;
- The gifts or terms are illegal;
- An appropriate Fair Market Value cannot be determined or will result in unmanageable expense to LG Health;
- There are physical or environmental hazards;
- The gift could jeopardize the tax-exempt status of LG Health or an affiliate; and/or
- The gift could improperly benefit any individual.

### ***VIII. Acknowledgement of a Gift***

When a gift is received by the LGHF it is the responsibility of LGHF to ensure that the gift is acceptable and that the donation qualifies as a charitable gift. LGHF will issue an official acknowledgement in a timely manner for donations received, with said acknowledgment serving as the donor's record of the gift for tax purposes.

### ***IX. Types of Outright Gifts***

A gift is defined as an irrevocable charitable contribution for the benefit of LG Health (or a tax-exempt affiliate, as applicable) which is intended as a donation, bestowed voluntarily and without expectation of tangible compensation and for which no contractual requirements are imposed. Gifts are contributions that can be used immediately by LGHF. The following outright gift forms will be accepted:

1. Cash, Check or Credit Card;
2. Tangible Personal Property;
3. Securities;
4. Real Estate;
5. Remainder Interests in Property;
6. Bargain Sales;
7. Life Insurance; ~~and~~
8. Gifts-in-Kind / Artwork; ~~and~~
9. Grants from Donor Advised Funds

The following criteria govern the acceptance of each form of gift:

**1. Cash, Check and Credit Card Donations:** Checks shall be made payable to "Lancaster General Health Foundation" and shall be delivered to the LGHF Office. Specific intent can be noted on the memo line of the check. Gifts by credit card can be made securely at the LGHF website.

**2. Tangible Personal Property:** Gifts of tangible personal property are eligible for a charitable deduction as defined by the IRS. LGHF reserves the right to require a professional appraisal prior to

the acceptance of property. All other gifts of tangible personal property shall be examined in accordance with the following criteria:

- Does the property fulfill the mission of LG Health?
- Is the property marketable?
- Are there undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

**3. Securities:** LGHF can accept both publicly-traded securities and closely-held securities. Donors may make gifts of securities by written endorsement on the stock certificate(s) or through wire transfer from the donor's brokerage account to the LGHF brokerage account. Donors should inform the LGHF Office of any gift of stock prior to endorsement or transfer.

Gifts of securities marketed on a recognized exchange will be valued by LGHF at market value on the day of transfer. The value is established by averaging the high and low prices on that day. The gift amount may differ from the amount actually realized from the sale of the security, but neither gains nor losses nor brokerage fees will alter the credited value of the gift.

**Publicly-Traded Securities:** Marketable securities may be transferred to an account maintained at a brokerage firm or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed. See Appendix B for the most recent Donation of Stock form.

**Closely-Held Securities:** Gifts of closely-held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in closely held C and S corporations, limited partnerships (LP), limited liability companies (LLC) or other ownership forms, are complex, requiring substantial due diligence, risk measure, and management. Therefore, a thorough benefit-to-risk analysis shall be conducted on a case-by-case basis and no gift of closely-held securities shall be accepted without the prior approval of the CFO of LG Health. The following issues, at a minimum, should be considered: Are there restrictions on the security that would prevent LG Health from ultimately converting those assets to cash? Is there a market for sale of the security? Will the security generate undesirable tax consequences for LG Health or the donor? Receipt of closely-held securities shall be recorded, receipted and acknowledged in accordance with all applicable IRS regulations. It is the donor's obligation to establish a gift value. No dollar amount will be included in the receipt.

If potential problems are identified in initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely-held securities shall be made by the CFO of LG Health, with the assistance of legal counsel where necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

#### **4. Real Estate:**

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, LGHF may require an initial environmental review of the property to ensure that the property is not contaminated with environmental damage. In the event that the initial inspection reveals a potential problem, LGHF shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor. Where appropriate, a title binder shall be obtained by LGHF prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense to the donor.

Prior to acceptance of the real property, the gift shall be approved by LG Health’s legal counsel, or an outside attorney designated by LG Health’s legal counsel. When reviewing potential donations of real estate, the following issues, at a minimum, should be considered:

- Is the property useful for the purpose of LG Health?
- Is the property marketable?
- Are there any restrictions, easements, reservations, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, associated with the property?
- Does the environmental audit reflect that the property is not damaged?

A broker’s opinion of value may be obtained in advance of transfer of the property, in addition to any other recent appraisals.

**5. Remainder Interests in Property:** LGHF will accept a remainder interest in a personal residence, farm or vacation home subject to the provisions of Paragraph 4 above. The donor or other occupants (primary beneficiaries) may continue to occupy the real property for the duration of the stated life. At the death of the donor, LGHF may use the property or reduce it to cash. Where LGHF receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

**6. Bargain Sales:** LGHF will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of LGHF or LG Health. All bargain sales must be reviewed and approved by the LG Health legal counsel. Factors used in determining the appropriateness of the transaction include, but are not limited to, the following:

- LGHF must obtain an independent appraisal substantiating the value of the property.
- If LGHF assumes debt with the property, the debt ratio must be less than 50 percent of the appraised market value.
- LGHF must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

**7. Life Insurance:** LGHF, LG Health or a LG Health tax-exempt affiliate must be named as both beneficiary and irrevocable owner of an insurance policy before the policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. Paid-up life insurance policies may be counted in one of two ways:

- The cash surrender value, counted as a current outright gift; or
- The death benefit value, counted at both the face value and the discounted present value.

**8. Gifts-In-Kind / Artwork:** A gift of goods or equipment, or other tangible property donation, may be accepted by LGHF if it will support LG Health’s mission. A gift in-kind will be assigned a “fair market value” as documented by the donor. A Gift-In-Kind Acceptance Form (Appendix C and also available on the LG Health website under “Make a Gift”) must be completed before the gift can be considered and processed by LGHF. A separate form exists for considerations of gifts of art. Please see Appendix C for the LGHF “Acceptance of Artwork” and “Gift-in-Kind” forms.

IRS Filings upon Sale of Gift Items: The CFO, or designee, of LG Health is responsible for filling IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt when the value of the gift for charitable purposes was greater than \$ 5,000. The appropriate entity must file this form within 125 days of the date of sale or disposition of the asset.

**9. Grants from Donor Advised Funds:** Donors can recommend a grant to the Foundation from a donor advised fund. Per IRS regulations, the donor will not receive a tax receipt and the donor may not receive personal benefit (including goods and services) from the grant.

## **X. Pledges**

Donors can make multi-year pledges to support the LG Health Foundation. Pledges can be payable up to a 5 year time frame. The donor shall complete a pledge form outlining the purpose of the gift and the terms of the pledge payments prior to making a payment on that pledge. See appendix F for a copy of the Foundation's pledge form.

## **XI. Types of Deferred Gifts**

A deferred gift refers to a contribution that is not donated at the present time, but, rather is planned for donation at a later occasion, oftentimes at death as part of one's estate. When a donor is making a deferred gift to a specific program or service at LG Health, it is recommended that the documentation reads as follows: *"LG Health Foundation (legal name of the entity) to be used for the purposes of (LG Health entity or program)."* The donor should coordinate the documentation through the LG Health Foundation office. Donors who make a planned gift are eligible to be inducted in to LGHF's "1893 Society." The following deferred gifts can be accepted:

**1. Bequests:** A bequest or devise is a gift that is made through a donor's will. Individuals may name LGHF, LG Health or a LG Health tax-exempt affiliate in their wills for a specific amount or a percent share of their estate. Donors can also name LGHF or a LG Health tax exempt affiliate as the residual beneficiary of their estates after payment of bequests to others. Bequests shall not be recorded as gifts until such time as the gift is received/realized or documented as irrevocable. If a bequest is to be used for a restricted purpose, the donor should contact LGHF to prepare a Gift Agreement outlining how it will be used. The donor shall be given the exact corporate legal name of the entity to which the gift will be made.

**2. Charitable Gift Annuities:** LGHF may offer charitable gift annuities. The minimum gift for funding is \$10,000. The minimum age for life income beneficiaries is 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries is 45. No more than two life income beneficiaries will be permitted for any gift annuity. Charitable gift annuities of \$1,000,000 or greater must be approved by the LG Health CFO. Upon execution of the CGA agreement, the donor is entitled to a charitable contribution amount that is equal to the present value of the remainder interest of the CGA. Annuity payments may be made on a quarterly, semi-annual or annual schedule, and are based on the age of the donor at the time of the gift. Rates used are those recommended by the American Council on Gift Annuities, which determines the payment amounts of the annuities. Donors should be aware that the payment of annuity income is a general obligation of the charity, and is backed by its assets. LGHF will not accept real estate, tangible personal property, or other illiquid assets in exchange for current charitable gift annuities. Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to LGHF or to such specific fund as designated by the donor.

**Charitable Gift Annuity – Deferred:** A deferred gift annuity is similar to a gift annuity except that payments begin at a future date of the donor's choice, such as retirement. The tax deduction and the annual rate of return increase the longer the donor waits to begin payments. LGHF may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the CFO of LG Health approves the arrangement.

**3. Charitable Remainder Trust:** LGHF, LG Health or a LG Health tax exempt affiliate may accept designation as remainder beneficiary of a charitable remainder trust. Two basic types of charitable remainder trusts qualify for federal tax benefits. In both arrangements, a donor gives stock, cash or other assets to a trust. Those assets are invested, producing income for the donor or other beneficiary either for a fixed period of time or until the donor dies. The donor is allowed to claim a tax deduction for the estimated portion of the assets that will ultimately come to the appropriate entity. When the donor dies or the term ends, the entity keeps all remaining assets in the trust.

The two types of remainder trusts are unitrusts and annuity trusts. Under a basic unitrust, the donor receives one or more yearly payments equaling a fixed percentage of the average value of the assets in the trust, which is assessed each year. Under a net-income unitrust, the donor receives only the income earned by the trust, even if the trust earns less than the payout rate. However, the trust can be set up to include a make-up provision, which allows the donor to make-up the lost income, provided the trust earns more than the payout rate in future years. Under an annuity trust, the donor receives a fixed amount each year equaling at least 5% of the value of the asset at the time the deferred-giving payment was signed.

**4. Charitable Lead Trusts:** Through this vehicle, LGHF, LG Health or a LG Health tax exempt affiliate would receive income from the donor's assets for a specified time, after which the asset is transferred back to the donor or to the donor's heirs. The donor would create a trust and the benefiting entity would receive one or more payments each year for a specific term of years from the donor's trust. The donor may pay a gift tax on the value of the remaining interest if paid to his/her heirs when it is placed into the trust, after which it can grow tax-free. A lead trust can provide income, gift and estate tax benefits to the donor. LGHF, LG Health or a LG Health tax exempt affiliate may accept a designation as Income Beneficiary of a charitable lead trust, but will not accept appointment as Trustee of a charitable lead trust.

**5. Retirement Plan Beneficiary Designations:** Donors and supporters can name LGHF, LG Health or a LG Health tax exempt affiliate as beneficiary of their retirement plans. Such designations shall not be recorded as gifts until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**6. IRA Charitable Rollover:** H.R. 2029, the Protecting Americans from Tax Hikes Act of 2015 has permanently extended the IRA Charitable Rollover. Originally passed in 2006 as part of the Pension Protection Act, the IRA Charitable Rollover allows individuals age 70½ and older to make direct transfers totaling up to \$100,000 per year to 501(c)(3) charities, without having to count the transfers as income for federal income tax purposes. IRA Rollovers are not tax deductible, and cannot be used to establish charitable gift annuities.

**7. Life Insurance:** A gift of whole life insurance can be made to LGHF, LG Health or a LG Health tax exempt affiliate by naming the applicable tax exempt entity as the irrevocable owner and beneficiary of the policy. The gift should be valued at its interpolated terminal reserve value or cash surrender

value, upon receipt. The policy can either be paid-up, or, if not paid-up as of the date of the gift, has a minimum face value of \$100,000. A pledge form signed by the donor will be required for gifts of life insurance policies that require charitable contributions from the donor to LGHF or the applicable LG Health tax exempt affiliate in the amount of any premiums, including unscheduled premiums, which may become due. If the donor contributes future premium payments, LGHF or the applicable LG Health tax exempt affiliate will include the entire amount of the additional premium payments as a gift in the year that they are made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, LGHF or the applicable LG Health tax exempt affiliate may continue to pay the premiums; convert the policy to paid-up insurance; or surrender the policy for current cash value.

## **XII. Guidelines for Naming Facilities and Programs**

LGHF welcomes the opportunity to honor those who have rendered extraordinary service or financial support to LG Health or its tax-exempt affiliates. Facilities, buildings, programs, and spaces may be named for individuals or entities whose accomplishments or generosity advance the mission of LG Health. LGHF will follow the guidelines listed in this policy as it makes decisions on a case-by-case basis with regard to naming facilities, buildings, and spaces on campus, including interior spaces, landscapes, and roads. Recognition of the highest caliber demonstrates institutional appreciation of our donors and volunteers.

A. **Jurisdiction:** The authority to name LG Health facilities and programs as a result of extraordinary philanthropy and service belongs to the LGHF Board of Trustees in concert with LG Health Executive Leadership approval. Although the attraction of financial contributions to LG Health is not the sole consideration, the naming of facilities and programs must always weigh the development interest and not proceed in a manner that might hamper development efforts.

### **B. Criteria and Procedures**

#### **1. Criteria for Selection of Honorees**

Naming a program, facility or space for an individual, organization or corporation is one of the highest honors that LG Health can bestow. This recognition is a lasting and powerful affirmation of the honoree's connection to LG Health. As such, honorees shall have exemplary character, an unqualified reputation for honesty, personal integrity and the highest standards of personal and professional ethics.

**Private Financial Support:** Individuals and corporations may be considered for recognition if they have made significant financial contributions to LG Health. Decisions regarding such recognition are made on a case-by-case basis in accordance with the approval process contained in this policy and any other applicable LGHF policies.

**Extraordinary Service:** In some extraordinary circumstances, honorees may be considered for named recognition within LG Health for excellence in service for such exceptional distinction that their contributions are widely recognized by their peers, both at LG Health and elsewhere.

#### **2. Gift levels required for consideration of donor recognition**

**Named Facilities/Spaces/Programs:** Generally, a minimum gift of \$1 million or greater can be considered for a naming opportunity and must be approved by the LGHF Board of Trustees in concert with LG Health Executive Leadership approval.



Fifty percent (50%) of total project costs for new buildings and facilities will be eligible to receive the naming opportunity for the entire building or facility.

Fifty percent (50%) of the total project costs for renovated buildings and facilities will be eligible to receive the naming opportunity for the entire building or facility.

If a building slated for renovation is already named, the new name of the building may, in some cases, be hyphenated in order to preserve the history of the building. The most recent donor's name would be placed first (e.g. The Rogers Laboratory would become the "Smith-Rogers Laboratory" honoring a gift from Sarah Smith). In general, we will retain the existing name as part of the new name if the person originally honored has played a significant role in the history of LG Health.

**Plaques Spaces:** In general, gifts of \$25,000 or more may be eligible to be recognized with a plaque within a specific space, although that space will not be named by the donor. In general, deferred gifts are not considered as part of a fundraising goal for a capital project and thus will not be considered for naming opportunities unless the commitment is irrevocable. Spaces within a building or facility eligible for naming or plaques will be identified by Foundation staff in conjunction with Facilities staff and project architects. These spaces will be selected on the basis of their visibility, attractiveness, and utility to the LG Health community.

**Exceptions:** Exceptions to this policy can be made by the LGHF Trustees at the recommendation of the Executive Director.

**3. Duration of naming rights and other forms of recognition in LG buildings, facilities, spaces, and programs.**

Naming of buildings, facilities, and spaces in honor of individuals is generally expected to last for the useful lifetime of the building, facility, or space. When a named building or facility is replaced by a new building or facility, every effort will be made to perpetuate the history of the lead donor's contribution to the original building through recognition in the new building. Naming associated with a particular facility, space, endowment or program will not preclude further naming within the facility, space, endowment or program. Should donors and honorees be deemed to no longer possess exemplary character, an unqualified reputation for honesty, personal integrity and the highest standards of personal and professional ethics, recognition may be withdrawn from the facilities, spaces, endowments, scholarships, and any other recognition programs at any point by the LGHF Trustees with approval by LG Health executive leadership. Naming and other forms of donor recognition may also be recalled by the LGHF if a donor does not fulfill their pledge as provided in the pledge agreement.

**4. Style parameters for naming and other forms of donor recognition within LG Health buildings, facilities, and other spaces**

The size and shape of plaques, as well as the format for inscriptions, will be consistent across buildings, facilities and spaces on campus. The material selected for plaques and signage will match the type of material selected by the project architects for use in all project hardware or design elements. Donor recognition design will be integrated into the design of each capital project from the initial stages to ensure cohesion of style and tone.

***XIII. Miscellaneous Provisions***

- A. Matching Gifts:** Many corporations have guidelines that the non-profit organization and employee must meet before a donation can be matched. The corporation's benefits or human resources

department can provide more information about their program and should also have the proper form to complete. Every matching gift made by a donor's employer will be designated in the same fashion as the donor's gift designation and will be counted toward the donor's gift recognition.

- B. **Gifts in Honor of or In Memory of Someone:** Gifts "in memory of" or "in honor of" are generally designated to a specific LG Health or tax-exempt affiliate fund or department per the wishes of the families of the honoree. It is a generous and thoughtful way to honor a friend or family member.

### ***XIII. Campaign Policies and Gift Guidelines***

- A. **Campaign Pledge Period:** Donors will be given the opportunity to make pledges payable over as many as five years.
- B. **Campaign Accounting:** Outright gifts and multi-year pledges made during the campaign period with the intention of being used for campaign objectives will be counted toward the [capital](#) campaign. Fundraising totals will include the total outright gifts received during the campaign and payable during the pledge period stated above. Pledges will be counted toward the campaign when a signed, dated pledge form has been received indicating the total amount of the pledge and the anticipated payment schedule.

Revocable and irrevocable deferred commitments made in response to campaigns - and which will be received at an undetermined time in the future - can count toward the campaign goal, but will be tracked separately. Bequests shall be counted at the net present value in campaign totals if: the donor is age 65 or older; the commitment is for a single life, or if double life, the second donor also conforms to the age limitation; and the will states a specified amount or percentage of the estate based on a credible estimate of future value of the estate. In general, deferred gifts made to campaigns are not eligible for a named space unless these gifts are irrevocable. (Sample Irrevocable Bequest Pledge documents for couples and individuals are attached as Appendix D.)

During campaigns, undesignated and unrestricted gifts to LGHF may be designated to support that campaign through a corporate resolution approved by the LGHF Board of Trustees.

- C. **Valuation of Campaign Gifts**

**Real Estate and Personal Property:** LGHF will credit major gifts of real estate and personal property at full fair-market value placed upon them by an independent appraiser, usually contracted and paid for by the donor. Should the real estate or personal property be sold, losses or gains will not affect the value credited upon receipt of the property.

**Life Insurance:** Paid-up life insurance policies may be counted in a campaign in one of two ways: the cash surrender value, counted as a current outright gift; or the death benefit value, counted at both the face value and the discounted present value.

**Charitable Lead Trusts:** LGHF will credit the income received from the trust during the campaign period at the full face value in combination with the net present value of the remainder of the income that exceeds the life of the campaign.

- D. **Campaign Gift Management**

The LGHF Executive Director and the Foundation Office staff will be responsible for all record keeping, billing, accounting and final interpretation of these policies. Information about all gifts

will be considered confidential unless authorized for release by the donor. Access to fundraising files and gift information will be limited to the LG Finance staff, Foundation staff, campaign executive committee, and campaign consultants.

#### ***XIV. Vendor Relationships***

LGHF will follow ethical policies governing relationships with vendors in all of its fundraising activities. These policies recognize that solicitation and/or acceptance of excessive or inappropriate gifts, favors or entertainment from vendors may interfere, or be perceived to interfere, with sound business judgment in selecting and retaining vendors, or may create the appearance of impropriety in business dealings.

#### ***XV. Third-Party Fundraising***

A third-party fundraising activity is any fundraising activity or event hosted by a non-affiliated group or individual where LGHF, LG Health, or any tax-exempt affiliate are the beneficiary and have no fiduciary responsibility and little or no staff involvement.

Those wishing to execute a third-party fundraiser should submit an application (Appendix E) detailing plans; plans for third party fundraisers cannot proceed without approval from LGHF.

For more information, please consult the LGHF website at [lghealth.org](http://lghealth.org).

#### **APPENDICES**

- A. Lancaster General Health Endowment Spending Policy
- B. LGHF Donation of Stock Form
- C. LGHF Donation of Art / Gift-in-Kind Forms
- D. Sample Irrevocable Bequest Pledge Documents for Couples and Individuals
- E. Third-Party Fundraising Guidelines / Agreement Form
- F. Sample Pledge Form

*Policy reviewed and approved by the LG Health Foundation Board of Trustees:*

*9/20/16; 9/26/17; 6/25/19; 09/21/2021; [9/20/22](#)*

## Appendix A

### ENDOWMENT SPENDING POLICY

#### What are Endowment Funds?

Endowment funds are invested assets whose growth and investment income provide support to LG Health or a tax exempt affiliate and its affiliates in perpetuity. Endowment funds are invested and a portion of the investment return provides support to LG Health or a tax exempt affiliate. In most cases, donors specify that the income, or some portion of the total return, from the endowment gift be used to support a specific function at LG Health or a tax exempt affiliate. Examples of common restrictions are patient financial aid, particular service lines (such as oncology, heart and vascular, women's health, etc.), scholarship support (PA College of Health Sciences) and research. If the donor does not specify a use, the total return shall not be restricted and should support the mission of LG Health.

#### Investment Management and Spending Rules

The permanent nature of endowment funds creates a challenging objective - maintenance of the purchasing power of endowment assets in perpetuity. LG Health utilizes the investment expertise through The University of Pennsylvania's Office of Investments. The annual spending rate is calculated in adherence with their spending rule. The spending rule provides a guaranteed income figure that determines how much money is available to spend for a given account in a given fiscal year. The figure is a percentage of the endowment fund's market value and is determined by the University of Pennsylvania, Office of Budget and Management Analysis and the Office of Investments and reviewed and accepted by the LG Health Board of Trustees.

This guaranteed spendable income is received in equal increments during the 12 periods of the fiscal year. Any investment income earned in excess of the guaranteed amount specified by the spending rule is reinvested in the endowment. This amount is recorded separately from principal gifts to the endowment (in object codes 1713-1715 for AIF investments). If there is a period where the actual market return is less than the spending rule guarantee, existing spending rule assets will be reduced (i.e., previously-earned appreciation will be spent) to provide additional income so that the fund still generates the amount of spendable income guaranteed by the spending rule.

The spending rule is designed to:

- Aid in preserving the long-term objectives of the endowment;
- Ensure smooth and predictable distributions; and
- Protect investments against inflation.

*For additional information on the spending rule, please contact the Lancaster General Health Foundation Office at (717) 544-1374 or visit [www.finance.upenn.edu](http://www.finance.upenn.edu).*



## Gift of Stock - Donor Intent Form

TO BE COMPLETED BY THE DONOR AND RETURNED TO:

**Jennifer L. Groff**  
**Executive Director**  
**Lancaster General Health Foundation**  
**2110 Harrisburg Pike, Suite 205**  
**Lancaster, PA 17601**  
**(717) 544-7126**

**Donor Information**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone \_\_\_\_\_  
E-Mail \_\_\_\_\_

Check this box if you wish to make this donation anonymously.

**Donor's Intent**

Contribution is given to Lancaster General Health Foundation for the following:

**Name of Entity**       Lancaster General Health Foundation  
                                  Lancaster General Hospital  
                                  PA College of Health Sciences  
                                  Other \_\_\_\_\_

**Name of Program / Fund / Campaign** \_\_\_\_\_

**Donor Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Securities Gifted**

1. Number of Shares \_\_\_\_\_ Name of Security \_\_\_\_\_  
2. Number of Shares \_\_\_\_\_ Name of Security \_\_\_\_\_  
Approximate Intended Date of Transfer \_\_\_\_\_  
Approximate Dollar Value of Gift \_\_\_\_\_

**Transferring Broker**

Name \_\_\_\_\_  
Firm \_\_\_\_\_  
Telephone \_\_\_\_\_

Lancaster General Health Foundation has public charity, non-taxable, 501(c)(3) status in the United States.

**Brokerage Information for Lancaster General Health**

Janney Montgomery Scott	DTC Number: 0374
Telephone: (717) 519-4174	Account #: 61598583
Attn: Steve Kirchner	Account Name: Lancaster General Health Foundation
skirchner@janney.com	

*(Form Last Revised 12/17/2018)*



**CHECKLIST FOR THE DONATION OF ART TO LANCASTER GENERAL HEALTH FOUNDATION**

- A JPG file of the art is provided
- An original of IRS Form 8283 is attached for non-cash gifts in excess of \$500 (this will be signed by an LG Health representative and returned to the donor)
- For non-cash gifts in excess of \$5,000, Form 8283, a certified appraisal, and a photo is attached.

I, \_\_\_\_\_,  
(Name of Donor) understand that: Lancaster General Health Foundation (Foundation) is free to sell or liquidate the art unless otherwise agreed in writing. The Foundation’s intention to either resell the property or to retain it to further its charitable activities will be made clear to the donor at the time of the gift.

I, \_\_\_\_\_,  
(Name of Donor) verify that (1) title to the art gift is clear and unencumbered, and (2) certificates of authenticity or other documentation have been provided, when applicable.

\_\_\_\_\_  
Signature of Donor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Donor Printed

\_\_\_\_\_  
Signature of Development Officer Receiving the Art

\_\_\_\_\_  
Date

\_\_\_\_\_ A senior executive signature has been secured for the IRS Form 8283.



GIFT IN KIND FORM

To Be Completed By Donor:

Date Contribution Made: \_\_\_\_\_

Item, Property, or Service Donated to Lancaster General Health:

Estimated Value: *(to be determined by donor)*

Amount: \$ \_\_\_\_\_

Description: \_\_\_\_\_

Event/Program: \_\_\_\_\_

Will LG Health provide any goods or services for this donation? *(check one)*

No  Yes - Description: \_\_\_\_\_

The information above was provided for the purposes of complying with IRS Requirements and is accurate to the best of my knowledge.

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

***Please complete and return to Lancaster General Health Foundation.***

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For LGH/LGH Foundation Use Only:

Date Received: \_\_\_\_\_ Received By: \_\_\_\_\_

Program/Department/Service Line Benefiting from this donation:

\_\_\_\_\_  
Acknowledgement Sent: \_\_\_\_\_



**LANCASTER GENERAL HEALTH FOUNDATION  
IRREVOCABLE BEQUEST PLEDGE AGREEMENT**

In consideration of our interest in benefiting the Lancaster General Health Foundation (hereinafter "the Foundation,") and with the intention of making a major gift to (the Foundation, LG Health or tax exempt affiliate) we,

\_\_\_\_\_ and \_\_\_\_\_,

pledge and promise that the survivor of us will bequeath to the (Foundation, LG Health or tax exempt affiliate) in his or her Last Will the sum of \$ \_\_\_\_\_, thereby obligating the estate of the survivor to distribute such sum to the Foundation subsequent to the death of said survivor; provided that the amount of this pledge shall be reduced, dollar for dollar, by any contributions made by us, or either of us, at any time after the date hereof, which contributions are specifically designated to be in partial or complete satisfaction of this pledge, whether such contributions are made directly by us, or either of us, through a living trust we, or either of us, may have created, or through any retirement plan that we, or either of us, may have established.

All amounts received by the Foundation in fulfillment of this pledge shall be held in a permanently restricted endowment.

This agreement in no way limits the ability of either or both of us to make additional gifts to the Foundation for this or other purposes, either during our lifetimes or by will or other instrument effective subsequent to our deaths. The details for how this endowment will be used and how this gift will be recognized will be outlined in a separate document signed by the donors and an officer of the Foundation. We acknowledge that the Foundation's promise to use the amount pledged by us and/or the Lancaster General Health Foundation's actual use of the money pledged by us for the purposes specified above shall constitute full and adequate consideration for the pledge.

This pledge is to be irrevocable and a binding obligation upon the estate of the survivor of us. This agreement shall be interpreted under the laws of the Commonwealth of Pennsylvania.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

Signatures of  
Donors: \_\_\_\_\_ \ \_\_\_\_\_

Printed Names of Donors: \_\_\_\_\_ \ \_\_\_\_\_

**ACCEPTANCE**

The undersigned, being a duly authorized officer of the Lancaster General Health Foundation, does hereby accept the written pledge.

\_\_\_\_\_ Date: \_\_\_\_\_

**Signature of Officer**

**Printed Name and Title**





**LANCASTER GENERAL HEALTH FOUNDATION  
IRREVOCABLE BEQUEST PLEDGE AGREEMENT**

In consideration of my interest in benefiting the Lancaster General Health Foundation (hereinafter "the Foundation,") and with the intention of making a major gift to the Foundation, I, \_\_\_\_\_, pledge and promise that I will bequeath to the Foundation in my Last Will the sum of \$ \_\_\_\_\_, thereby obligating my estate to distribute such sum to the Foundation subsequent to my death; provided that the amount of this pledge shall be reduced, dollar for dollar, by any contributions made by me, at any time after the date hereof, which contributions are specifically designated to be in partial or complete satisfaction of this pledge, whether such contributions are made directly by me, through a living trust I may have created, or through any retirement plan that I may have established.

All amounts received by the Foundation in fulfillment of this pledge shall be held in a permanently restricted endowment.

This agreement in no way limits my ability to make additional gifts to the Foundation for this or other purposes, either during my lifetime or by will or other instrument effective subsequent to my death. The details for how this endowment will be used and how this gift will be recognized will be outlined in a separate document signed by the donors and an officer of the Foundation. I acknowledge that the Foundation promises to use the amount I have pledged and/or the Foundation's actual use of the money I have pledged for the purposes specified above shall constitute full and adequate consideration for the pledge.

This pledge is to be irrevocable and a binding obligation upon my estate. This agreement shall be interpreted under the laws of the Commonwealth of Pennsylvania.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Donor Signature: \_\_\_\_\_

Printed Donor Name: \_\_\_\_\_

**ACCEPTANCE**

The undersigned, being a duly authorized officer of Lancaster General Health Foundation, does hereby accept the written pledge.

\_\_\_\_\_  
Date: \_\_\_\_\_

**Signature of Officer**

\_\_\_\_\_  
**Printed Name and Title**

### ***THIRD-PARTY FUNDRAISING GUIDELINES***

A third-party fundraising activity is any fundraising activity or event hosted by a non-affiliated group or individual where the Lancaster General Health Foundation, Lancaster General Health, or any of their respective entities have no fiduciary responsibility and little or no staff involvement.

The path to launching a third-party fundraising activity typically begins with an idea and plan of action that is presented to the Lancaster General Health Foundation. The group or individual must complete an application and submit a signed Third Party Contract. Upon careful review, we will assist the potential organizers in examining a variety of factors to determine if in fact the proposed activity is viable. All third-party fundraising activities must be approved by the Lancaster General Health Foundation in advance. This is an important safeguard to preserving the integrity of the Lancaster General Health Foundation name and our commitment to raise the funds necessary to fulfill our mission in a cost- efficient and effective manner. While we are able to provide guidance for your activity, we do not have the personnel to handle the organizational and administrative tasks associated with third-party fundraising activities.

Therefore, the activity sponsor is responsible for the details of the activity including:

- underwriting all of the related costs
- recruiting volunteers to help with the activity
- creating marketing materials to publicize the activity
- working at the actual activity or event
- obtaining necessary permits/licenses for the activity
- managing all aspects of the fundraising activity
- promoting the event in the community and with local media (if appropriate)

LG Health Foundation is able to:

- Arrange for a representative to attend an initial planning committee meeting to review our third-party fundraising guidelines and discuss designation of a gift to LG Health
- Grant permission for use of the LG Health Foundation and/or related-entity name, if reviewed and approved on documents, web pages, etc. prior to publication
- Arrange for a post-event check presentation/photo opportunity (pending schedule availability)
- Provide limited brochures, pamphlets and other informational material about LG Health with 30 days advance notice
- Arrange for representation of LG Health representative to attend the third-party event (pending schedule availability)

This packet contains the following information:

1. A copy of the Lancaster General Health Foundation Policies and Procedures for third party fundraising activities. Please review these policies and procedures carefully.
2. A Third Party Proposal Form. This form should be completed and returned to the office as soon as possible.

We appreciate your interest in fundraising for the Lancaster General Health Foundation and we look forward to working with you! Please call us at 717.544.5513 with any questions you may have.

**Lancaster General Health Foundation**  
**THIRD-PARTY FUNDRAISING APPLICATION**

<b>Date submitted:</b>	
<b>Name of individual or organization planning event:</b>	
<b>Contact person and title:</b>	
<b>Mailing address:</b>	
<b>Telephone:</b>	
<b>Fax:</b>	
<b>Email:</b>	
<b>Event name:</b>	
<b>Event date and time:</b>	
<b>Event location:</b>	

- I. Please provide a brief description of your fundraising activity and outline how funds and awareness will be raised (for example, ticket sales, auction, product sales, pledges, proposed audience, estimated attendance):

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Estimated proceeds/Dollar Goal of Event: \_\_\_\_\_

- I/we acknowledge receipt of the Lancaster General Health Foundation Policies and Procedures (attached) for Third Party Fundraisers and agree to comply with all provisions in organizing and holding our fundraising activity.

\_\_\_\_\_  
*Dated*

\_\_\_\_\_  
*Signature of Responsible Party*

\_\_\_\_\_  
*Dated*

\_\_\_\_\_  
*Signature of Responsible Party*

\_\_\_\_\_  
*Dated*

\_\_\_\_\_  
*Representative, Lancaster General Health Foundation*

Please retain one copy of this agreement for your records and submit to:

**Lancaster General Health Foundation**  
 Signature Events Specialist  
 2110 Harrisburg Pike | Suite 205 | Lancaster, PA 17601  
 Phone: 717-544-5513 | Fax: 717-544-5846 | Email: [vnein2@lghealth.org](mailto:vnein2@lghealth.org)

**Lancaster General Health Foundation**  
**POLICIES AND PROCEDURES FOR THIRD PARTY FUNDRAISERS**

1. No party may use the Lancaster General Health Foundation, or any related entity name or logo or otherwise indicate to the public that a fundraising activity is being held for the benefit of Lancaster General Health Foundation, without the prior express written consent of the Special Events Coordinator.
2. The official logo of Lancaster General Health Foundation or any related entity should be appropriately used in conjunction with such a fundraising activity and may not be altered in any way. Any use of the Lancaster General Health Foundation, or any related entity logo must adhere to established graphic standards.
3. Lancaster General Health Foundation must review and approve all promotional materials including, but not limited to, advertising, letters, brochures, flyers and press releases prior to production or distribution.
4. All promotional materials must clearly state the percentage of proceeds and/or the portion of the ticket price that will benefit Lancaster General Health Foundation or its related entities.
5. Under no circumstances can third party fundraising activity revenues or expenses flow through Lancaster General Health Foundation books. Only the net amount (final net proceeds from activity) should be processed by Lancaster General Health Foundation.
6. Under no circumstances will the Lancaster General Health Foundation allow the organization/sponsor to set up a temporary bank account in Lancaster General Health Foundation's name.
7. A check made payable to the Lancaster General Health Foundation will be submitted within 30 days following the activity date specified or such other interval as agreed to by Lancaster General Health Foundation. Requests for check presentations with a LG Health representative will be considered on a case-by-case basis.
8. The Lancaster General Health Foundation should receive a list of targeted sponsors for the fundraising activity, before they are approached, to minimize overlap with other Lancaster General Health Foundation sponsored events.
9. The Lancaster General Health Foundation office can provide limited brochures, pamphlets and other informational materials, promoting and explaining Lancaster General Health, its goals and accomplishments. Advance notice of 30 days is needed to request materials for the event.
10. Organizers are responsible for obtaining all permits especially those for raffles and/or games of chance.
11. Organizers must obtain their own liability insurance to cover the fundraising activity.
12. Lancaster General Health Foundation is not financially liable for the promotion and/or staging of third-party fundraising activities.

13. The organizer of the fundraising activity that is the subject of this Agreement shall indemnify and hold harmless Lancaster General Health Foundation, Lancaster General Health, and their respective officers, directors, and employees, from and against any and all claims, liabilities, costs, fines and expenses (including reasonable attorneys' fees) arising out of any claims or suits, or threats of suits which may be brought against Lancaster General Health Foundation for any reason in connection with the fundraising activity and including but not limited to: (i) the organizers' breach of obligations under this Agreement including the organizers' obligations to comply with applicable law, (ii) the organizers dealing with any third parties including third party contractors, (iii) any unauthorized use by the organizers of Lancaster General Health Foundation's name, logo, or other proprietary symbols or information, or any unauthorized verbal presentations, or (iv) any negligence or willful misconduct by the organizers or its employees, contractors, or agents. The organizers' obligations hereunder shall survive the termination of this Agreement. The organizers shall retain insurance sufficient to cover any personal injury experienced by their staff, volunteers, participants or anyone else involved in the fundraising activity or related pre or post activities, and it is understood that Lancaster General Health Foundation will be absolved of any such liability. Lancaster General Health Foundation will not be held liable for any injury to or actions by the organizers, their staff or volunteers, any fundraising activity participants or anyone else involved in the activity or any related pre or post activities, resulting in any claims of liability during the activity or during any related pre or post activities.
14. Lancaster General Health Foundation reserves the right to withdraw the use of its name at any time
15. If the fundraising activity is cancelled or rescheduled, the organizer will notify Lancaster General Health Foundation as soon as possible.
16. Requests for LG Health representation at the event will be reviewed on a case-by-case basis.
17. This Agreement shall be terminated at any time if any aspects of the fundraising activity are determined to be in conflict with the mission of Lancaster General or its related entities or if any terms of this Agreement are violated by the sponsoring organization.



**GIFT PLEDGE FORM**

I/We am/are pleased to support LG Health / Penn Medicine and their mission to advance the health and well-being of our community. It is my/our intention to give \$\_\_\_\_\_

- Outright gift
- Pledge to be paid over \_\_\_\_ 2 years \_\_\_\_ 3 years \_\_\_\_ 4 years \_\_\_\_ 5 years \_\_\_\_ Other

Payments will begin on: \_\_\_\_ / \_\_\_\_ / 20\_\_\_\_. (Date)

To be paid:

- One-time
- Annually
- Quarterly
- Monthly

Gift Designation: \_\_\_\_\_

Donor Name(s): \_\_\_\_\_  
 (Please print your name(s) exactly as you would like it/them to appear in recognition materials.)

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Gift to be made:**

- Anonymously
- In honor of: \_\_\_\_\_
- In memory of: \_\_\_\_\_
- This gift will be matched by (Company Name): \_\_\_\_\_

***Checks should be made payable to LG Health Foundation.***

**Please return to:**

Lancaster General Health Foundation  
 2110 Harrisburg Pike, Suite 205  
 Lancaster, PA 17601