

About This Template

This Gift Acceptance Policy for Stock & Securities template has been prepared by Carnegie Investment Counsel as an educational resource for nonprofit organizations. It is intended as a starting point only and does not constitute legal, compliance, or financial advice.

This template does not account for every organizational structure, jurisdiction, or gift scenario a nonprofit may encounter. Carnegie Investment Counsel makes no representations or warranties regarding the legal adequacy, completeness, or applicability of this template to any specific organization or situation. Organizations should consult with your investment advisor or qualified legal and financial professionals prior to adopting or implementing any gift acceptance policy.

Gift Acceptance Policy for Stock & Securities

For: [Nonprofit Organization Name]

Approved by the Board on: [Date]

Purpose

This policy outlines the process for handling donated securities to ensure compliance, transparency, and efficiency in liquidating assets and distributing proceeds.

The Investment Manager is responsible for executing this policy in accordance with applicable regulations and fiduciary standards.

1. Types of Securities Accepted

List the types of securities your organization is prepared to accept. Only include types for which your organization has an established brokerage account and the operational capacity to receive and process. Remove any sub-sections that do not apply.

A. Publicly Traded Securities

The Organization accepts gifts of publicly traded stocks, exchange-traded funds (ETFs), and mutual funds listed on a recognized U.S. or international stock exchange.

B. Non-Marketable or Restricted Securities

Closely held stock, restricted stock, and similar non-marketable securities require prior review and approval before acceptance. See Section 3: Review & Approval.

C. Securities Not Accepted

The following are not accepted without prior written approval from the Board:

- Cryptocurrency or digital assets
- Securities subject to legal restrictions on transfer
- Securities that may expose the Organization to liability

2. Valuation of Gifted Securities

A. Valuation Method

The value of a gift of publicly traded securities is determined using the IRS-prescribed method: the average of the high and low trading prices on the date the donor relinquishes control of the securities (i.e., the date of transfer, not the date of sale).

The Investment Manager will provide a detailed receipt to the organization, including a description of the securities donated, the date of receipt, and the fair market value determined in accordance with IRS guidelines.

The Organization does not provide tax advice. Donors are encouraged to consult their own legal and financial advisors regarding the deductibility of any gift.

B. Organization Recording

Gifts of securities are recorded on the Organization's books at the fair market value on the date of transfer, in accordance with Generally Accepted Accounting Principles (GAAP).

3. Review & Approval

Define who in your organization has authority to accept gifts of securities and under what circumstances Board or committee approval is required. Customize the dollar thresholds and roles to reflect your organizational structure.

A. Staff-Level Acceptance

The [Executive Director / CFO / Treasurer - choose applicable title] is authorized to accept gifts of publicly traded securities within the guidelines of this policy without Board approval.

B. Board or Committee Approval Required

The following require review and approval by the Board of Directors or a designated Gift Review Committee prior to acceptance:

- Non-marketable or restricted securities of any value
- Any securities gift that may create legal, financial, or reputational risk

4. Liquidation of Gifted Securities

Unless otherwise directed by the Board of Directors, all gifted securities will be sold promptly upon receipt.

Net proceeds from the sale of gifted securities will be applied in accordance with the donor's stated intent:

- Unrestricted gifts support the Organization's areas of greatest operational need.
- Restricted gifts are used in accordance with the donor's written instructions and any applicable gift agreement.
- Endowment gifts are transferred to the Organization's endowment fund in accordance with the Spending Policy.

5. Declining a Gift of Securities

Every organization reserves the right to decline a gift. List the circumstances under which your organization would do so.

The Organization reserves the right to decline any gift of securities that:

- Cannot be transferred or liquidated in a timely manner
- Carries restrictions, legal encumbrances, or conditions the Organization is unable to fulfill
- Creates conflicts of interest with board members, staff, or major donors

- Could expose the Organization to financial, legal, or reputational harm
- Is inconsistent with the Organization's mission, values, or strategic priorities

When a gift of securities is declined, the donor will be notified promptly and respectfully by [Executive Director / Designated Staff Member].

6. Adoption

Adopted by: [ORGANIZATION NAME]

Name:

Title: _____

Date: _____

Investment Manager:

Name:

Title: _____

Date: _____

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