

**BLUE WATER DEVELOPMENTAL HOUSING, INC.  
POLICIES AND PROCEDURES: BOARD INFORMATION**

<b>SUBMITTED BY:</b> Executive Director	<b>DATE SUBMITTED:</b> 6/15/21	<b>SECTION:</b> Board and Administration	
<b>BOARD APPROVED ON:</b> 9/8/21	<b>DATE REVISED:</b> 4/17/2023	<b>SUBJECT:</b> Board Fundraising Policy	
<b>ANNUAL REVIEW BY EXECUTIVE DIRECTOR:</b> 9/8/21, 4/17/2023		<b>POLICY #:</b>	<b>PAGE #:</b> 1 of 6

**I. BOARD MEMBER GIVING AND FUNDRAISING**

Fundraising is an important part of a Board member's responsibility, and financial support of the organization's fundraising efforts is expected. Board members are expected to make an annual financial contribution according to their personal means.

**II. TRAINING**

Ongoing training at all management levels of the organization will occur regularly and when there is a change in fundraising procedures or practices, a change in the scope of the organization's fundraising efforts or a change in the legal or regulatory requirements related to fundraising to which Blue Water Developmental Housing (BWDH) is subject.

**III. DONOR RELATIONS**

To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- A. 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.
- B. 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.
- C. To have access to the organization's most recent financial statements.
- D. To be assured their gifts will be used for the purposes for which they were given.
- E. To receive appropriate acknowledgement and recognition within a reasonable amount of time.
- F. All gift acknowledgment letters/receipts will be prepared by the executive director or his or her designee.
- G. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- H. To be informed whether those seeking donations are volunteers, employees of the organization, or hired solicitors.
- I. To feel free to ask questions when donating and to receive prompt, truthful, and forthright answers.

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- J. Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by BWDH. Maximum use will be made of information and contacts that members of the Board, various volunteer groups, or the staff have with potential donors.
- K. This information is confidential and is strictly for the use of BWDH Board and staff. Use of this information shall be restricted to organizational purposes only. The donor has the right to review his or her donor fund file(s).
- L. Should the gift be restricted, BWDH will provide the donor with a narrative and financial report detailing the activities made possible by their support. This report will be submitted to the donor within 30 days of the completion of the underwritten activities.
- M. Names of donors will not be provided by BWDH to other organizations, nor will any lists be sold or given to other organizations.
- N. All donor requests for confidentiality will be honored.

**IV. GIFT ACCEPTANCE**

- A. The purpose of this gift acceptance policy is to give guidance and counsel to those individuals within BWDH concerned with the planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of private sector gifts.
- B. These policies must be viewed as flexible and realistic to accommodate unpredictable situations as well as donor expectations. Flexibility must be maintained since some gift situations will be complex, and proper decisions can be made only after careful consideration of all related factors. These policies may, therefore, require that the merits of a gift be considered by the appropriate staff and/or Board along with legal counsel if necessary.
- C. All fundraising activities and gift acceptance policies, and their day-to-day implementation, are designed and managed by the executive director in conjunction with the appropriate staff and are subject to approval by the Board.
- D. The Board shall have the right to refuse contributions that do not enhance, promote, and ensure further the purpose of Blue Water Developmental Housing and the long-range financial viability of the organization.

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- E. Blue Water Developmental Housing receives gifts in the form of cash, checks, and securities. Securities are received into the investment account approved by the Board of Directors.
- F. Gifts of securities will be acknowledged to the donor at the value received into the account, as of the day received.
- G. All securities will be sold immediately upon receipt into the account. The funds available after the sale will be invested per the organization's investment policy.
- H. Any gifts of tangible property valued at \$25,000 or more must be approved by the Board of Blue Water Developmental Housing and any gifts of tangible property valued at between \$1,000 and \$25,000 must be approved by the executive director.
- I. Unrestricted, outright gifts of cash, check, credit card, and publicly traded securities do not require approval. Routine gifts are accepted and administered through the executive director.
- J. Gifts will only be accepted where there is charitable intent on the part of the donor. Blue Water Developmental Housing is unable to accept gifts that are overly restrictive in purpose. The most desirable gifts are those with the least restrictions, as unrestricted funds allow the organization to address its most pressing needs. Unless the Board grants a specific exception, BWDH will not accept any gifts that:
  - 1. Contain a condition that requires any action on the part of the organization that is unacceptable to administration.
  - 2. Require the organization and its administration to employ a specified person now or at a future date.
  - 3. Inhibit the organization from seeking gifts from other donors.
  - 4. Expose the organization to adverse publicity, litigation, or other liabilities.
  - 5. Require undue expenditures, or involve the organization in unexpected responsibilities because of their source, conditions, or purpose.
  - 6. Involve unlawful discrimination based upon race, religion, gender, sexual orientation, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws.
- K. Noncash gifts will be accepted only when it is reasonably expected they can be converted into cash within a reasonable period or when BWDH can utilize the property in its operations. Generally, six months to one year shall be considered reasonable for conversion to cash. All noncash gifts will be sold at the discretion of BWDH, whose express policy will be to convert the property to cash at the

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earliest opportunity, keeping in mind current market conditions and the potential use of the property in the accomplishment of the mission of BWDH.

- L. Property encumbered by a mortgage or other indebtedness cannot normally be accepted as a gift unless the donor agrees to assume all carrying costs until the property is liquidated. Exceptions to this guideline can be made when the value of the property exceeds the anticipated exposure, or will produce income, or will be used by BWDH in its programs.
- M. Associated expenses of a gift made to BWDH are to be borne by the donor.
- N. Donors of property gifts of over \$5,000, except for gifts of publicly traded stock, must obtain an appraisal by an independent third-party appraiser in accordance with current tax law requirements.
- O. To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, or the dissemination of income or estate tax advice, all donors of noncash gifts must acknowledge that BWDH is not acting as a professional advisor, rendering opinions on the gift. All information concerning gift planning from BWDH is to be for illustrative purposes only and is not to be relied upon in individual circumstances. BWDH may require a letter of understanding from a donor of a property gift, along with proof of outside advice being rendered, before such a gift will be accepted.
- P. All gifts of life insurance must comply with applicable state insurance regulations, including insurable interest clauses.
- Q. BWDH does not accept any gifts requiring annuity payments that will be guaranteed by the organization.
- R. All gifts and gift consideration must meet all applicable local, state, and federal laws and regulations.

**V. REVIEW LEGAL ARRANGEMENTS**

Legal counsel retained by BWDH shall, as required, review legal documents, contracts, and all donor agreements. BWDH shall seek the advice of legal counsel in all matters pertaining to its planned giving program. All agreements shall follow the formats of the specimen agreements to be approved by legal counsel unless counsel has agreed in writing to a change for a specific agreement.

BWDH shall encourage donors to seek their own counsel in matters relating to their bequests, life income gifts, tax planning, and estate planning. All legally binding documents involving gifts over \$10,000 shall be prepared and/or reviewed by counsel retained by the donor, to avoid any conflict of interest or undue influence. Alternatively,

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a donor may sign a document prepared by BWDH, releasing BWDH from any liability and waiving any conflict.

**VI. PROFESSIONAL FEES**

While BWDH is happy to assist attorneys and other professional advisors by providing specific language to be used in charitable giving instruments, it cannot pay any attorney's or advisor's fees associated with this work.

**VII. UNACCEPTABLE GIFTS**

BWDH reserves the right to refuse any gift that is not consistent with its mission. In addition to and without limiting the generality of, the following gifts will not be accepted by BWDH:

- A. Gifts that violate any federal, state, or local statute or ordinance.
- B. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest and property.
- C. Gifts that are financially unsound.
- D. Gifts that could expose the BWDH to liability.

**VIII. CONFLICT OF INTEREST**

The BWDH Board will assure itself that BWDH personnel are careful in all dealings with donors to avoid even the appearance of any act of self-dealing. The Board will consider a transaction in which the employee has a "material financial interest" with a donor an act of self-dealing. In reviewing self-dealing transactions, the Board shall consider financial interest "material" to an employee if it is sufficient to create an appearance of a conflict. In each case, this will be a question of fact.

The Board will examine all acts of self-dealing including, but not limited to, prohibition against personal benefit. Those individuals who normally engage in the solicitation of gifts on behalf of BWDH shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of BWDH. (The definition of individuals includes each of the categories of employees of BWDH. Individuals are further defined to include associations, partnerships, corporations, or other enterprises in which a member of the staff holds a principal ownership interest.)

**IX. GIFT VALUATIONS**

BWDH shall follow accepted guidelines for the valuation of gifts such as stock, real estate, personal property, and life insurance that require specific methods of valuation for the protection of both the donor and BWDH.

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Gifts of art, furniture, books, stamps, coins, and other collections must have values assessed by properly accredited independent appraisers retained by potential donors for appropriate gift tax credit. BWDH shall acknowledge receipt of such properties but must not verify values.

**X. REQUIRED REPORTING OF GIFTS TO THE INTERNAL REVENUE SERVICE**

Should BWDH sell, exchange, or otherwise dispose of any gift (other than checks, cash, or publicly traded stocks or bonds), within two years after the date of the gift, BWDH will furnish the Internal Revenue Service and the donor with a completed Form 8282.

**XI. CONFORMITY TO FEDERAL AND STATE LAWS**

The Board will assure itself that fundraising activities comply with local, state, and federal laws.