USA Rugby Charitable Foundation, Inc. dba USA Rugby Trust
Gift Acceptance Policy
March 12, 2014

Mission

USA Rugby Charitable Foundation, Inc. dba USA Rugby Trust's (the "Corporation") mission is to support, promote, develop and grow the sport of rugby at all levels in the United States by providing financial support to USA Rugby.

Purpose of Policy

The Corporation's Board of Directors (the "Board"), staff and volunteers solicit gifts from individuals, businesses, foundations and governmental agencies to secure the future growth and mission of the Corporation. Certain types of gifts, however, pose special issues and risks to the Corporation and must be reviewed prior to acceptance. This Policy provides guidance as to the types of gifts that can be accepted without review, those that require review by the Finance Committee or the Board (and, if appropriate, the Corporation's legal counsel), and those that the Corporation is not in a position to accept. It also provides guidance as to how gifts should be administered and handled. This Policy applies to all gifts received by the Corporation for any of its programs or services.

Definition of Gift and Related Terms

Gifts to the Corporation may come in a variety of forms, including cash, securities, products and services, real property and tangible personal property. Gifts may be ***current*** or ***deferred***. The most common types of deferred gifts are bequests, charitable remainder trusts, annuity trusts and multi-year-pledges. Gifts received by the Corporation may be ***unrestricted*** as to purpose or use, or they may be ***restricted*** for a particular program or activity to which the funds or resources must be directed. In addition, a gift may be currently expendable or the donor may require it to be held as part of an ***endowment,*** meaning the gift is to be held in perpetuity or for another period of time with only a portion of the gift or its investment earnings being currently expendable. In all cases, a gift is an irrevocable transfer of money or property to the Corporation.

Standards of Conduct

The Corporation holds itself to a high standard of ethical conduct, and will abide by its conflicts of interest policy in accepting any gift. The Corporation will not accept gifts, enter into business relationships or accept support that will compromise its public image or its commitment to its mission.

The Corporation urges prospective donors to consult with personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

Types of Gifts Accepted

Cash gifts, in any form (e.g., cash, check, money order, wire transfer or credit card), will be accepted without review unless the Executive Director, in his or her judgment, determines that the gift involves special circumstances requiring review by the Finance Committee. All checks should be made payable to USA Rugby Trust. In no event should a check be made payable to an employee, agent or volunteer for the credit of the Corporation.

Marketable securities, such as publicly traded securities, commercial paper, Treasury bills and other money market instruments, will be accepted without review unless the Executive Director, in his or her judgment, determines that the gift involves special circumstances requiring review by the Finance Committee. Such securities may be transferred to an account maintained by the Corporation at one or more brokerage firms or may be delivered physically with the donor's signature or stock power attached. As a general rule, all publicly traded securities and commodities will be sold upon receipt unless otherwise directed by the Finance Committee.

In some cases, marketable securities may be restricted by applicable securities laws. The Finance Committee will review and approve these types of gifts prior to acceptance, unless the Finance Committee determines the matter should be referred to the Board. These securities will be sold at the first available opportunity, unless otherwise directed by the Finance Committee.

Real property gifts, including developed property, undeveloped property and gifts subject to a prior life interest, will only be accepted upon recommendation by the Finance Committee and approval of the Board. The Corporation generally will not accept any real estate without following:

- evaluation of whether the property is marketable or could be useful to the Corporation in carrying out its mission;
- on-site inspection by the Executive Director and/or a member of the Finance Committee;
- evaluation of any carrying costs associated with the property (e.g., real estate taxes and insurance);
- review of any restrictions, easements or other limitations to which the property is subject;
- an environmental inspection or audit performed by qualified inspection firm; and
- title search and title policy.

The donor should bear the cost of any appraisal, title policy or environmental inspection or audit, except under the circumstances described below under "Fees." The Finance Committee may waive the requirement of an environmental inspection or audit if, after evaluating the environmental history and condition of the property, it determines that it is not warranted (erring on the side of caution). The Corporation will not accept, under any circumstances, a gift that would expose the Corporation to expenses related to environmental cleanup or litigation that could result from such acceptance.

Remainder interests in a personal residence, ranch or vacation property will be reviewed and accepted in the same manner as real property gifts. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the stated life, the Corporation may use the property or sell or otherwise dispose of it. Where the Corporation 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.

Tangible and intangible personal property, including auction items donated for fundraising events, art and collectibles, motor vehicles, copyrights and other intellectual property, may be accepted by the Executive Director without further review unless, in his or her judgment, the gift involves special circumstances requiring review by the Finance Committee. In considering whether to accept property, the following criteria will be used:

- the property's relationship to the Corporation's mission;
- its marketability or potential use in the Corporation's activities or fundraising;
- any restrictions imposed on the property's use, display or sale;
- its carrying costs and costs of sale; and
- any special reporting requirements imposed by the IRS (in the case of gifts of motor vehicles and intellectual property).

As a general rule, the Corporation will sell all tangible and intangible property that it cannot readily use in its exempt activities or for fundraising as soon as reasonably practical, unless other directed by the Finance Committee. Such property will generally not be accepted unless there is reason to believe the property can be used by the Corporation or easily sold.

Planned gifts are welcomed and encouraged by the Corporation, including:

- Gifts by bequest (will or revocable trust);
- Gifts by beneficiary designation (e.g., retirement plans, life insurance policies and savings accounts);
- Gifts with income going to donor and remainder to Corporation (e.g., charitable remainder trusts); and
- Gifts with income going to Corporation and remainder to donor's choice (e.g., charitable lead trusts).

Information on these giving arrangements can be obtained from the Corporation's legal counsel. Generally speaking, gift instruments for planned gifts should be prepared by the donor's counsel, except that the Corporation may provide sample language for beneficiary designations. The Corporation generally will not serve as Trustee for planned gifts, unless the Board and legal counsel agree otherwise. Planned gifts will not be recorded as gifts to the Corporation until such time as the gift is irrevocable. When 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.

Bargain sales are transfers of property partially by gift and partially by sale. The sale component can arise by virtue of the Corporation assuming debt or an obligation on the property. Bargain sales will be reviewed and accepted in the same manner and using the same criteria applicable under this Policy to outright gifts of the same type of property. In addition, the Corporation generally will not enter into a bargain sale without an independent appraisal substantiating the value of the property and, if debt is to be incurred or an obligation assumed by the Corporation, a debt ratio of less than 50% of the appraised market value of the property.

Restricted gifts impose a legal obligation on the Corporation to use the gift for the particular program or purpose directed by the donor. The nature and the extent of this obligation must be clearly understood. For this reason, the terms of each restricted gift will be reviewed by the Finance Committee and, in the case of particularly significant restriction, by the Board with the recommendation of the Finance Committee, to ensure the restrictions do not hamper the usefulness or desirability of the gift. If a gift is deemed too restrictive to be useful or desirable, the donor will be counseled to remove or modify the restrictions. If no agreement can be reached, the gift will be declined.

Gifts “in memory of” or “in honor of” persons by name will be treated as unrestricted unless the donor requests otherwise.

Endowment gifts are gifts of money or other property which are to be held in perpetuity or for another period of time, with only a portion of the gift or its investment earnings being currently expendable. The Executive Director may establish endowments by a particular donor if the gift is unrestricted and the amount is at least $50,000.

In-kind gifts of goods and services may be accepted by the Executive Director or the without further review unless, in his or her judgment, the gift involves special circumstances requiring review by the Finance Committee.

Other gifts not discussed above will be reviewed and approved by the Finance Committee and reviewed and approved by the Board upon the recommendation of the Finance Committee.

Types of Gifts Not Accepted

The Corporation does not accept non-marketable securities, non-sellable real estate, and closely-held business interests. The Corporation reserves the right to refuse any gift that (i) is contrary to the Corporation’s articles of incorporation or bylaws; (ii) would result in the Corporation losing its 501(c)(3) status; (iii) is too difficult or expensive to administer in relation to its value; (iv) is for a purpose outside the Corporation’s mission; or (v) would result in any unacceptable consequences to the Corporation. The decision to decline a gift for any reason may occur at any level, i.e., by the Executive Director, by the Finance Committee or by the Board.

Legal Counsel

The Corporation will seek the advice of legal counsel in matters relating to gift acceptance when appropriate. Review by counsel is generally recommended for the following gifts:

- closely held business interests;
- securities subject to restrictions or buy/sell agreements;
- real property, motor vehicles or intellectual property;
- arrangements that require the Corporation to act in a fiduciary capacity, such as trustee;
- bargain sales or other arrangements that require the Corporation take on or assume a significant legal or financial obligation;
- gifts of a life insurance policy in which the Corporation continues to pay the premium for the insured;
- gifts involving a significant use/purpose restriction or endowment;
- planned gifts in the form of a charitable remainder trust, charitable lead trust, pooled income fund or charitable gift annuity); and
- other gifts in which use of counsel is deemed appropriate by the Executive Director, the Finance Committee, or the Board.

Acknowledging and Reporting Gifts

To provide donors with the supporting documentation needed to claim a charitable contribution for their gift, the Corporation will provide donors with written acknowledgement of any gift. The Executive Director is responsible for this task. For acknowledgement purposes, the Corporation will follow the following guidelines:

- ***For cash gifts***, acknowledgement will include the amount of the gift, the date of receipt, if no goods or services were provided by the Corporation to the donor in exchange for the gift, a statement to that effect, and if goods or services were provided by the Corporation, a good faith estimate of the value of such goods or services.
- ***For non-cash gifts***, acknowledgement will include a description of the gift property *(but not an indication as to its value)*, the date of receipt, if no goods or services were provided by the Corporation to the donor in exchange for the gift, a statement to that effect, and if goods or services were provided by the Corporation, a good faith estimate of the value of such goods or services.

- ***For quid pro quo gifts of cash or property*** over $75 in value, which are payments or transfers that are part charitable contribution, part payment for goods or services, acknowledgement will follow the appropriate format listed above, and also will include (i) a statement that the amount of the contribution that is deductible for federal tax purposes is limited to the excess amount of the contribution over the value of the goods or services provided by the organization; and (ii) a good faith estimate of such goods or services.

Suitable recognition for major gifts, including naming opportunities, will be given to donors at the discretion of the Board, subject to relevant guidelines.

For reporting purposes, the Corporation will follow the following guidelines:

- ***Valuation of gifts*** for internal bookkeeping purposes only *(as the Corporation does not indicate gift value for gift acknowledgement purposes)* will occur as of the date the donor relinquished control of the asset to the Corporation. The amount reported on the Corporation's books should be arrived at without regard to the donor's personal estimation of the gift's value, the worth and date of the gift reported by the donor to the IRS, or the value placed on it by the IRS in reference to the individual's personal tax liability.
- The ***gift's date*** will be defined as the date the donor irrevocably relinquished control of the property to the Corporation.
- ***Appraisals*** of property are the responsibility of the donor.
- ***IRS filings*** must be made with respect to certain non-cash gifts. The Corporation will make all such filings within the specified time frame. Specifically, if a donor makes a gift of property (other than certain publicly traded securities) valued at more than $5,000, the Corporation must acknowledge that gift *(but not indicate agreement as to the value of the gift claimed by the donor)* on IRS Form 8283, which the donor is responsible for preparing and filing. If the Corporation disposes of such property within three years of receipt, the Corporation is responsible for preparing and filing IRS Form 8282. Special filing requirements also apply for gifts of intellectual property that produce income during any given year (see Form 8899) and gifts motor vehicles, boats and airplanes valued at more than $500 (see Form 1098-C).

Fees

Finder's fees and commissions will not be paid to any person in consideration of directing a gift to Corporation nor will any be paid in connection with the completion of a gift to the Corporation without the written approval of the Finance Committee.

Professional fees will be paid by the Corporation only in situations where the Corporation will reap significant benefit from the gift and the donor believes it is proper for the Corporation to bear all or part of the attending fees for completion of the gift. Such fees will be paid only with the prior written approval of the Finance Committee.

Administrative fees to cover all or a portion of the Corporation's indirect costs of administering certain gifts will be determined and charged against the gift as follows:

- Current, restricted gifts: determined by the Board annually.
- Endowments: 2% which will be assessed quarterly based upon the value of the Fund at the end of each calendar quarter, calculated as follows: fee = ¼ (fee percentage x value of Fund at end of quarter).

Review of Policy

The Finance Committee will review this Policy at least annually and make recommendations as to revisions for the Board's approval.

Adopted on March 12, 2014 by the Board of Directors of the USA Rugby Trust

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Signee, Title Signee, Title

RESOURCES
IRS Form 8282 and Instructions
IRS Publication 561 (Determining the Value of Donated Property)
IRS Publication 526 (Charitable Contributions)