

Challenge Alaska

Endowment Policy

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CHALLENGE ALASKA

Endowment Policy

1. Introduction

Challenge Alaska, hereinafter referred to as Challenge, is a non-profit organization that provides therapeutic sports, recreation and education opportunities for people with disabilities and the entire community. Challenge believes that everyone, regardless of ability, should have an equal opportunity at recreational opportunities. Challenge acquires its funding from a variety of sources. In adopting this Endowment Policy, it is the intention of the Board of Directors of Challenge to help ensure the financial health of Challenge through pursuit of new development and fundraising opportunities.

2. Purpose of Endowment Policy

Challenge seeks to help Donors meet their charitable goals while benefiting the Alaskans served by Challenge. Challenge encourages Donors to make both outright and deferred gifts and will accept gifts in a variety of forms to further our mission. That Mission is best served through fully informing potential Donors, Members of the Board, Staff, and the community of all relevant factors in giving and receiving gifts.

3. Responsibility to Donors

Challenge is committed to the highest ethical standards of philanthropy and development. In all transactions between potential Donors and Challenge, we will provide accurate information and full disclosure of the benefits and liabilities that could influence a Donor's decision. This will include fees, irrevocability of a gift, prohibitions on donor restrictions, investment policies and other information needed by individuals making charitable gifts.

4. Authorization for Gift Negotiations

The Board President, the Executive Director, and Members of the Endowment Committee will have the authority to handle inquiries and negotiate gifts with donors. For gifts other than cash and marketable securities, only an officer of Challenge may accept and is required to sign all gift agreements.

5. Gift Agreements

Challenge has standard Gift Agreement forms that will memorialize the receipt of any non-cash gift whose value is in excess of \$1,000.00. The receipt of any gift will be acknowledged immediately with a written receipt fully describing the gift.

6. Minimum Gifts

There is no minimum for a gift. A minimum may be established depending on the type of gift, such as real estate or other gifts of property, or gifts that may be validly restricted to a specific purpose by the Donor.

7. Endowment Fund

Challenge recognizes that the community's charitable interests are best served by a long-term commitment of resources. Therefore, Challenge encourages permanent endowment whenever possible and will place related gifts into the Challenge Alaska Endowment Fund. This Fund is subject to Investment Policies and agreements with the Board Designated Fund Manager.

8. Current Gifts

A. Cash

Challenge accepts cash, credit cards, checks or money orders made payable to Challenge Alaska for "Challenge Alaska Endowment Fund".

B. Marketable Securities

Challenge accepts readily marketable securities and will make all decisions regarding the disposition or retention of these gifts. This policy enables Challenge to adhere to existing Fund investment parameters and policies.

C. Securities that are not Readily Marketable

Securities from privately held corporations will be accepted under restrictions reviewed and approved by the Executive Director and an Officer of Challenge.

Challenge does not accept gifts of general partnership interests. Partnerships in Limited Liability Companies (LLC) or family limited partnerships will be individually reviewed. Any costs to Challenge in holding the interest are the responsibility of the donor.

9. Tangible Personal Property

Challenge may accept tangible personal property as a gift. The tangible personal property must be readily marketable and the donor must agree that it can be sold, but Challenge has sole discretion whether or not the item is sold.

The donor is responsible for establishing the value of the gift for tax purposes.

10. Real Property

Gifts of real property may be accepted based on the outcome of a property analysis, including physical condition, likelihood of an immediate sale, current market analysis of value and environmental issues, among other factors. Challenge may accept real property subject to a mortgage provided the real property has sufficient equity and the real property is marketable. All cost associated with the gift are normally to be borne by the donor.

11. Deferred Gifts

A. Bequests

Bequests should be left to "Challenge Alaska Endowment Fund, Tax Payer Identification Number 92-0080897".

B. Life Insurance Policies

Challenge may accept a life insurance policy as a gift if Challenge is named the irrevocable owner or beneficiary. The cash surrender value and any premium paid by the donor should be recorded as income from fundraising and as an asset on the balance sheet.

Annual premiums due are the responsibility of the donor. If the insurance policy lapses for non-payment prior to maturity because a donor fails to provide for premium payments, Challenge may redeem the policy as owner.

C. Charitable Remainder Trusts/Charitable Unitrusts/Charitable Lead Trusts

Challenge shall not serve as the trustee, custodian or manager of trusts it negotiates, but relies on the donor as self-trustee or other Trustee as designated.

D. Gifts of Property with Retained Life Estate

These tenancies will be accepted and during the time of occupancy the donor is responsible for insurance, taxes and maintenance. The policies for a current real estate gift will also apply.

E. Charitable Gift Annuity

Charitable Gift Annuities will be reviewed on a case by case basis, but at this time, Challenge will not offer to the public such annuities.