



**Kairos Prison Ministry International, Inc.**

# **Gift Acceptance Policy**

**The mission of the Kairos Prison Ministry is to share the transforming love and forgiveness of Jesus Christ to impact the hearts and lives of incarcerated men, women and youth, as well as their families, to become loving and productive citizens of their communities.**

Kairos Prison Ministry International, Inc. is headquartered at  
100 DeBary Plantation Blvd. DeBary, FL 32713  
Phone 407-629-4948

Effective April 10, 2017, updated March, 2019, updated February 2023

## **I. Purpose**

The purpose of Kairos Gift Acceptance Policy is to govern the acceptance of gifts and to provide guidance for the completion of gifts to Kairos Prison Ministry International (Kairos), donors, and their professional advisors. Kairos desires to encourage interested donors to make gifts without encumbering their own or Kairos financial resources.

Kairos Prison Ministry International, Inc. is a 501(c)(3) nonprofit ministry. Kairos can receive donations established from wills, trusts, life insurance, and other various cash-based funds, along with various forms of deferred giving and complex gift management. For some of the deferred giving and complex gifts, Kairos uses third-party administrators to manage the process, tracking, and reporting.

## **II. Use of Financial or Legal Counsel**

Use of financial or legal counsel for complex gifts by both the donor and Kairos is advantageous to all parties. Kairos cannot serve as both the donor's advisor and beneficiary of the donor's gifts. Therefore, donors are urged to seek their own independent tax, financial, and/or legal counsel in matters relating to their deferred gifts, tax, and estate planning.

## **III. General Guidelines**

A gift is defined as a voluntary transfer of assets from a person or an organization to Kairos. Gifts usually take the form of cash, securities, real estate or personal property, and planned gifts (wills, trusts, annuities, insurance, etc.). Kairos may accept or decline any gift.

1. A gift is motivated by charitable intent and is an irrevocable transfer of assets.
2. No gift will be accepted that cannot be used or expended consistent with the purpose and mission of Kairos.
3. Every precaution shall be taken by Kairos to protect the privacy and confidentiality of each donor and the donor's family. Permission must be obtained before any public acknowledgement is made of gifts received.
4. No irrevocable gift, whether outright or life-income in character, will be accepted if under any reasonable set of circumstances the gift would jeopardize the donor's financial security.
5. Appropriate gift receipts will be provided meeting IRS requirements. However, except for gifts of cash and publically traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received as per the law.
6. A gift is not completed until it has been accepted by Kairos, or in the case of securities, bonds or mutual funds, when deposited into Kairos account.
7. A designated gift is one for which the donor has specified in writing a purpose for which the gift is being given. Designated gifts can be accepted only by the International Office and not by any local State or Advisory Council. Funds will be given to the appropriate designated location by the International Office.

8. All securities, real estate, personal property, and planned gifts of any type must come through the International Office and not through any local State or Advisory Council.
9. No exchange of goods and services are received for a gift.

#### **IV. Gift Acknowledgement**

Kairos will acknowledge the receipt of all gifts in writing and in a manner which satisfies the IRS's substantiation requirements and appropriate for the type of gift provided for the deduction of charitable gifts by individual donors.

#### **V. Gift Designation**

All designated gifts will be reviewed by the CEO to see if the designation is appropriate for the ministry of Kairos. Designated gifts if accepted would be given by the International Office to the individual Kairos entity in full or over time or utilized properly as needed to fulfill the designation as defined. As much as possible, non-designated gifts are preferred to enable the ministry to use the funds where needed most to sustain and grow the ministry.

The Kairos Board of Directors reserves the right to utilize designated funds for a similar purpose if the funds cannot be used in the specific manner designated over time due to ending of a specific location, program, or overfunding of that ministry area. Communication to donors designating funds will take place as applicable and appropriate.

Only non-Kairos entities can designate a gift received, as all other funds already belong to Kairos Prison Ministry International as per Financial Policies.

#### **VI. Types of Acceptable Gifts**

##### **A. Current Gifts**

A current gift involves the donor's voluntary and intentional transfer of money or property to Kairos, without expectation of receiving a benefit equal to the value of the transfer.

Although the donor may place restrictions on the use of the property, the donor may not retain control over the money or property transferred to the charity to qualify as a current gift. Examples of outright gifts include cash, securities, tangible personal property, and some real estate gifts.

All current gifts of \$50,000 or more will go to Kairos International Office for managing and investing, unless raised for a designated purpose and approved as above in gift designation.

##### **1. Cash and Checks**

Cash and checks may be accepted regardless of the amount. The value of any cash or check gift is its face value. All cash and checks, except as mentioned above in Current Gifts, must be deposited to an account with the name Kairos Prison Ministry International, Inc. approved system of bank accounts as per the name on the check or as requested if cash.

## **2. Credit Card Contribution**

Funds may be transferred to Kairos via donors' credit cards. A credit card contribution may be done by the donor on the Kairos website. Kairos websites receiving credit cards will have the proper security and PCI compliance for handling such gifts. Donors making individual credit card contributions may also make the gifts recurring.

## **3. Securities**

Securities that are actively traded on recognized stock exchanges and other readily marketable securities, including bonds and mutual funds, may be acceptable as gifts by Kairos, according to the policies described below. Securities given to Kairos will typically be sold as soon as possible.

### **a. Publicly Traded Securities**

Kairos International Office should be notified in advance of the securities being transferred, the number of shares, the intended gift date and the intended designation of the gift, if any. Kairos International Office will sell such securities as soon as possible after the securities have been received. Cost of transactions will be taken from the value of the gift.

#### **i. Donations of Securities via Wire Transfer**

Securities may be wired directly to Kairos's brokerage account via DTC. Contact the Kairos International Office for details at 407-629-4948.

#### **ii. Donations of Securities via Mail**

If the donor has physical custody of stock certificates, they should be mailed, unsigned and by registered mail, to Kairos Prison Ministry International, Inc., 100 DeBary Plantation Blvd., DeBary, Florida 32713. The signed stock/bond power forms must be sent and received separately from the stock/bond certificates. The signature on the stock/bond power must exactly match the name(s) on the certificates.

#### **iii. Donation of Securities via Hand Delivery**

Stock certificates may be delivered to Kairos Prison Ministry International, Inc., 100 DeBary Plantation Blvd., DeBary, Florida 32713. Donors may deliver securities to the trust department of any bank, and ask them to report the gift immediately to Kairos International Office. Signed stock/bond power forms should be provided to Kairos and/or the trust department or broker.

### **b. Mutual Fund Shares**

Mutual fund shares may be accepted by Kairos International Office if appropriate. Contact Kairos for instructions on mutual fund share gifts. If necessary, Kairos may

open an account in order to accept gifts of mutual fund shares. Contact the Kairos International office for details.

**c. Restricted Stock or Securities**

Restricted securities are infrequently given as gifts because of the difficulty in transferring ownership and determining fair market value. They may be accepted by Kairos only upon prior approval by the CEO. Kairos will consider only gifts of restricted securities in amounts of \$10,000 and above.

Donors are advised to consult their own financial and tax counsel and IRS publications, which describes the protocol in detail, including the procedures for appraisers, contents of appraisals, in establishing the value of their gift for tax purposes.

**4. Gifts of Real Estate**

Gifts of real estate may include land both improved and unimproved, detached single-family residences, condominiums, apartment buildings, rental property, commercial property, farms, and similar property. Kairos does not accept gifts of timeshares.

Upon review and approval of the CEO and the Kairos Board, Kairos may accept ownership of outright gifts of real estate that is of sufficient value so that Kairos will benefit from the gift, considering legal, administrative, and other costs likely to be incurred by Kairos in accepting the real estate. In accordance with this Policy, Kairos will sell such gifts as soon as possible after receipt (except in the case of gifts subject to a retained life estate).

Bargain Sale, where Kairos purchases the property for less than fair market value, will be considered as long as the debt ratio is less than 50% of fair market value. Consideration will be given based on marketability, appraised value, debt ratio, and holding costs of the asset.

No property will be accepted that may cause embarrassment to the ministry or create undue risk to the ministry in ownership. These risks may include, but are not limited to, locations with legal, contractual, environmental, or contamination issues, and/or high cost to sell the property. Market conditions and viability to sell the property will be factored into consideration of acceptance of real estate.

Kairos would use a third party for all assessments and sale of property.

**5. Gifts of Real Property with Retained Life Estates or Other Restrictions/limitations**

A gift of real property with a retained life estate involves the transfer of the title of a personal residence, business, or farm to Kairos or our designated agent whereby the donor or another person retains use of the property for a term of years or the life/lives of the donor and/or another person. The donation of a home, vacation home, farm, or ranch during life is beneficial to the donor and to Kairos. Donors are entitled to a charitable

deduction pursuant to the donor's life expectancy and applicable government tables while retaining complete control of their property during their lifetime(s).

Such gifts are subject to both the general conditions and the guidelines for acceptance of outright gifts of real estate as set forth in this policy 'Gifts of Real Estate.' The agreement creating the life interest must provide that the donor and/or life tenant shall remain responsible for the payment of mortgages, taxes insurance (property insurance with Kairos as loss payee, general liability insurance with Kairos as additional insured and other appropriate insurance as determined by Kairos), utilities, maintenance/repairs and all other costs associated with the property, unless other specific provisions are made for the payment of these expenses. Proof of payment for applicable items and certificates of insurance may be required by Kairos as appropriate. Donor(s) shall not violate or allow to be violated any environmental laws/ordinances covering this property,

## **6. Tangible Personal Property**

Tangible personal property is an asset that can be touched, handled, or moved by an individual. The most common tangible personal property assets include art, coin and stamp collections, jewelry, furniture, or any similarly unique asset or collectible owned by a donor. Most tangible property will be sold as soon as feasible.

Kairos, upon review and prior approval by the CEO, may accept gifts of tangible personal property. Kairos will sell gifts of tangible personal property and invest the proceeds as soon as practical. All sales will be conducted through a third party.

Generally, gifts of tangible personal property may be accepted if they 1) meet Kairos minimum gift value requirement, 2) are readily marketable and 3) are free and clear of encumbrances. Gifts of tangible personal property must be of sufficient value to cover holding, maintenance, sale and administrative costs.

### **Documentation Required**

Donors who intend to give tangible personal property to Kairos must submit their gift proposal in writing. The proposal must include a description of the gift, proof of ownership, the donor's cost basis, date of acquisition, and qualified appraisal with appraisal value performed within 60 days of the gift proposal date.

## **7. Gifts in Kind (retained for Kairos use)**

Furniture, equipment, office supplies, computer hardware and software, and Kairos-related memorabilia are examples of the gifts in kind that may be considered for acceptance by Kairos. Kairos will consider such special gifts on a case-by-case basis.

Locally, Kairos Advisory Councils and States are encouraged to receive food and Weekend program supplies as gifts in kind from third party vendors. Proper

documentation must be entered into KairosDonor, proper value documented in the financial statements, and appropriate gift in kind receipts provided through KairosDonor.

#### Acceptance Criteria for non-food or Weekend program supplies

Depending on the nature of the gift, there may be maintenance, storage, shipping, and insurance costs associated with it. Generally, the CEO will use the following criteria to determine whether a gift in kind will be accepted by Kairos:

- a. Whether the property furthers the mission or enhances the history of Kairos
- b. Whether the donor has requested any restriction on the use or display of the property
- c. Whether the donor is willing and able to finance the packing, shipping and in-transit security, insurance (until safe delivery of items to Kairos and transfer or ownership is complete), and other associated costs in transferring the gift to Kairos.

### **8. Other Non-Traditional Asset Gifts**

Gifts of non-traditional assets are complicated and can carry with them additional risks and costs to both the donor and Kairos. This policy is meant to ensure that Kairos makes prudent decisions regarding the acceptance of these types of gifts such that maximum benefit toward Kairos programs is achieved.

#### Oil, Gas, and Mineral Interests

Kairos may accept oil and gas property interests only upon approval by the CEO and Kairos Board and after full review by a third-party entity.

Criteria for acceptance of the proposed gifts of oil, gas, and mineral interests shall include the following:

- a. Gifts of oil, gas, and mineral interest in royalties will be accepted. We do not accept working interests.
- b. The royalties should not have extended liabilities or other considerations that make receipt of the gift inappropriate. Kairos may consult an outside professional advisor for further review.

### **B. Deferred Gifts**

Deferred gifts are generally put in place during the life of the donor and are effective at death. Any deferred gift agreement that requires execution by Kairos should first be reviewed and approved as to form and substance by Kairos. Donors are advised to consult with Kairos International Office regarding the gift and to discuss any restrictions that are being considered.

#### **1. Bequests to Kairos**

A bequest to Kairos is a gift made in the donor's will, trust, or beneficiary designation form. Gifts made in a donor's revocable trust that are effective at the donor's death are

treated the same as bequests. The donor can designate a specific amount, a percentage, or the remainder of an estate to Kairos.

Direct, unencumbered bequests shall be accepted by Kairos if the underlying assets are in conformity with the guidelines set forth under current gifts of this policy statement.

Donors are encouraged to notify the Kairos CEO when considering a bequest in order to ensure that the assets left to Kairos will be used as desired. Wording for a bequest in a will may be requested by contacting the Kairos International Office.

Bequests of more than \$25,000 given to a local Kairos entity must be transferred to Kairos International Office for investment management and handling. The funds if designated to the local entity will be used for the local Kairos entity. All bequests under \$25,000 may be kept at the Kairos state level but must be reported to the CEO upon receipt. Any designations of funds must be discussed and approved by the CEO before accepting the funds.

## **2. Life Insurance Policies**

Kairos will accept ownership of the life insurance policies that meet the following criteria and fully paid-up as of the date of the gift. Kairos will accept ownership of life insurance policies if the donor pays the premium.

Only individual gifts of life insurance will be accepted; individual insurance policies purchased by a group of individuals will not be accepted. Under no circumstances will Kairos pay insurance premiums or fees.

## **3. Designating Kairos as Beneficiary**

Kairos will accept any proceeds that it receives as a designated beneficiary (or an alternate beneficiary) of a life insurance policy, a deferred annuity contract, an IRA, a defined benefit plan, a 401(k) plan, a defined contribution (profit sharing) plan, investment, bank account, or other qualified plan, unless the designation imposes restrictions or a trust arrangement, in which case, prior review and approval by Kairos is required.

Kairos will accept beneficial interest in an insurance policy without minimum, but reserves the right to decline receipt of funds offered under such interest if it proves administratively burdensome.

## **4. Charitable Gift Annuities**

Kairos may establish Charitable Gift Annuities, where cash or appreciated property is given in exchange for fixed payments, with donors at a minimum of \$10,000 for each annuity. \$5000 minimum allowed for repeat annuitants.



Annuity percentage payouts are based on age and per standard annuity rates. Kairos uses American Council on Gift Annuities (ACGA) annuity rates. A donor may choose a lower rate than the ACGA annuity rate to increase the gift value to Kairos.

Fees are paid from the annuity for processing and reporting.

Kairos may establish 1 or 2 lives annuities. No gift annuity agreement will be for more than two lives.

Review of appreciated property for an annuity will be necessary and approval required by the CEO and Board of Directors Finance Committee. If an annuity is issued in exchange for a fit of real estate, the real estate will be discounted before applying the ACGA rates by factor of up to 25% of the appraised value of the property. Anticipated costs of selling the property and the likely carrying costs of the property prior to its sales are taken into account.

Payout frequency may be quarterly, semiannual, or annual. Monthly payments are available for contracts of \$50,000 or more.

Kairos Prison Ministry International will retain 100% of the principal assets until maturity.

Due to specific state requirements, annuities may not be written within all states.

Contact the Kairos International Office at 407-629-4948.

## **5. Trusts**

A trust fund is a legal entity that holds property or assets on behalf of another person, group or organization. Kairos desires to establish and administer a trust that is material and a worthwhile experience for both the income and remainder beneficiaries, therefore various trusts of at least \$150,000 may be accepted. The proper type of trust is dependent on each person's situation and needs. Contact the Kairos International Office at 407-629-4948 to discuss trust options.