



Gift Acceptance Policy

I. About the Organization

The legal name of the organization is Civil Air Patrol, and is a congressionally chartered charitable non-profit corporation created by law. The organization can accept gifts under its full legal name, Civil Air Patrol, or variations such as CAP and Civil Air Patrol Foundation. Donors should be instructed to make checks or transfers payable in this manner. Any further direction or restriction should be entered on the memo line of the check and/or described in donor correspondence (e.g., a gift agreement).

Civil Air Patrol is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, classified as a public charity and eligible for charitable tax deductions under Section 170(b)(1)(A)(ii). The organization's Employer Identification Number is 75-6037853.

II. Introduction

The purpose of this gift acceptance policy is to give guidance to those individuals within Civil Air Patrol concerned with the planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of private sector gifts.

These policies cannot anticipate all possible gift situations and, as a result, may be amended from time to time as the Board of Governors deem appropriate in their sole discretion. Any potential gift not described in this documents should be discussed with appropriate Civil Air Patrol staff (Chief Executive Officer, COO, and General Counsel) including the Chief of Philanthropy to ensure such situations and expectations are consistent with Civil Air Patrol's mission and policies.

All fundraising activities and gift acceptance policies, and their day-to-day implementation, are designed and managed by the Chief of Philanthropy in conjunction with the appropriate staff, and are subject to approval by the Board of Governors.

The Board of Governors, through the General Counsel, is responsible for the gift acceptance policy. This responsibility cannot be delegated or waived. These policies and authorizations shall be reviewed by the Board of Governors as circumstances warrant.

III. Policy Statements

A. Acceptance of Gifts

1. The Board of Governors shall exercise its public trust, as mandated by statute, in making final decisions for the acceptance of all gifts and grants and for any exception to its policies and guidelines. Gifts and gift instruments may be received by the Chief Operating Officer. The Chief Executive Officer in coordination with the Chief Operating Officer may appoint a Gift Acceptance Committee for consideration of gifts requiring review.

2. Civil Air Patrol shall accept only those gifts of which the transference and implementation of which shall be deemed consistent with the public laws and/or regulations of the United States of America.

B. Philanthropic Intent

The Board of Governors shall determine that gifts to Civil Air Patrol are evidence of philanthropic intent and that the donor's philanthropy is in accord with the stated mission and goals of Civil Air Patrol. The purpose is to prevent Civil Air Patrol from being an object of philanthropic intent for either designed or innocent avoidance of taxes, prejudiced purposes, or evaluation of gifts without generous, advanced, objective, experienced evaluation.

C. Ethics

1. The Board of Governors shall assure itself that all philanthropic promotions and solicitation are ethical by adopting policies that prohibit Civil Air Patrol personnel from benefiting personally by way of commissions or other devices related to gifts received.

2. Civil Air Patrol will not knowingly accept a gift it believes to be contrary to the donor's best interest.

D. Review Legal Arrangements

1. Civil Air Patrol's Office of General Counsel shall, as required, review legal documents, contracts, and all donor agreements. All agreements shall follow the formats of the template or form agreements to be approved by legal counsel unless counsel has agreed in writing to a change for a specific agreement.

2. Civil Air Patrol 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 shall be prepared and/or reviewed by counsel retained by the donor, to avoid any conflict of interest or undue influence. Alternatively, a donor may sign a document prepared by Civil Air Patrol, releasing Civil Air Patrol from any liability and waiving any conflict.

3. Civil Air Patrol shall not be considered to be offering tax or legal advice to donors or prospective donors. All donors shall be advised to seek their own legal and tax consultation in matters related to their gifts, tax and estate planning. Donors will also be informed that Civil Air Patrol cannot provide advice as to the effect or impact of state laws, statutes or taxes upon the suitability, timing or terms of gift.

E. Professional Fees

While Civil Air Patrol is happy to offer assistance to 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.

F. Fiduciary Relationships

Civil Air Patrol will not agree to serve as an executor of a decedent's estate nor as a trustee of a living trust or other trust intended to serve as a person's primary estate living document.

G. Gift Acceptance Committee

1. It is the responsibility of any Civil Air Patrol employee or volunteer to bring proposed gifts not outlined in this policy to the Chief of Philanthropy and General Counsel for review.

2. Should the merits of a particular gift require additional consideration; the Civil Air Patrol Gift Acceptance Committee will make the final recommendation to the Board of Governors.

3. The Gift Acceptance Committee shall be comprised of the Chair and Vice-Chair of the Civil Air Patrol Board of Governors, the Chief Executive Officer, Chief Operating Officer, General Counsel and the Chief of Philanthropy.

H. Unacceptable Gifts

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

1. Gifts that violate any federal, state, or local statute or ordinance;
2. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest and property;
3. Gifts that are financially unsound;
4. Gifts that could expose the Civil Air Patrol to liability; and
5. Gifts which are contrary to positive youth development such as alcohol or tobacco related items or gifts provided in promotion of these items.

I. Written Agreements

All gift arrangements, other than a simple outright gift of cash shall be memorialized in a written document describing restrictions, if any, imposed on the gift by the donor and other obligations which may be undertaken by Civil Air Patrol in relation to the gift.

J. Pledges

1. Civil Air Patrol Development Department encourages donors wishing to make a gift of \$10,000 or more by installments over time to document their pledge in a written agreement. This document will serve as a binding legal obligation by the donor, as well as a claim against the donor's estate if the commitment remains unpaid at his or her death.
2. Unless a longer period is approved by the Chief of Philanthropy, the pledge agreement will specify installments in which the gift is to be paid over a period not to exceed five years.
3. Civil Air Patrol Development Department is responsible of recording, acknowledging, billing and monitoring the status of all pledges and payments.
4. For pledges under \$10,000, or for donors wishing to give \$10,000 or more and who want to retain more flexibility by making their commitment "non-binding," paperwork may be completed denoting a "letter of intent" in order to avoid confusion with binding commitments documented as pledge agreements.

K. Stewardship & Recognition

Civil Air Patrol will be responsible for good stewardship toward its donors by following these guidelines:

1. All gifts will be acknowledged within the required, or otherwise reasonable, period of time.
2. All gift acknowledgment letters/receipts will be prepared by the Chief of Philanthropy or the Chief's designee.
3. Civil Air Patrol's Development Department may establish criteria for the recognition and honoring of a donor with certain honors or benefits based on giving levels achieved by a donor and type of gift while remaining in compliance with Internal Revenue Service guidelines for goods and services received.
4. Gifts to Civil Air Patrol shall be reported in a manner consistent with the standards recommended by the Association of Fundraising Professionals (AFP) or the National Council on Planned Giving (NCPG).
5. Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by Civil Air Patrol. Maximum use will be made of information and contacts that members of the Board of Governors, volunteers or the staff have with potential donors. Written reports of interviews and solicitations will be maintained in the donor prospect file and/or computer.
6. This information is confidential and is strictly for the use of Civil Air Patrol Board of Governors and staff. Use of this information shall be restricted to organization purposes only. Donor has the right to review his or her donor fund file(s).
7. Civil Air Patrol will provide the donors of endowments with appropriate information about the usage of the endowment income.
8. Should the gift be restricted, Civil Air Patrol will provide the donor with a narrative and financial report detailing the activities made possible by their support.
9. Gifts to Civil Air Patrol and accompanying correspondence will be considered confidential information, with the exception of the publication of donor recognition societies. All donor requests for confidentiality will be honored.
10. Names of donors will not be provided by Civil Air Patrol to other organizations, nor will any lists be sold or given to other organizations.

L. Naming

Naming opportunities of buildings, facilities, Civil Air Patrol units, etc., through a charitable contribution are subject to Board of Governors approval, based on recommendation of the Chief of Philanthropy and General Counsel.

M. Conflict of Interest

1. The Civil Air Patrol Board of Governors will assure itself that Civil Air Patrol personnel are circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing. The Board will consider a transaction in which the employee or volunteer involved 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 or volunteer if it is sufficient to create an appearance of a conflict. In each case, this will be a question of fact.

2. The Board of Governors 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 Civil Air Patrol 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 Civil Air Patrol. (The definition of individuals includes each of the categories of employees or volunteers of Civil Air Patrol. Individuals are further defined to include associations, partnerships, corporations, or other enterprises in which a member of the staff or soliciting volunteer holds a principal ownership interest.)

N. Confidentiality

Civil Air Patrol staff will adhere to strict confidentiality with regard to any information, records and personal documents pertaining to donors and gifts. Gifts, gift terms and other information related to the gifts or solicitations of the gifts will be released publicly only when authorized by the donor or as required by law.

O. Conformity to Federal and State Laws

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

P. Minimum Donation

No minimum amount is required, however gifts to Civil Air Patrol of cash, securities, and tangible personal property with an aggregate value of less than \$10,000 are considered unrestricted gifts for discretionary use by Civil Air Patrol, unless otherwise specified by the donor in writing. Certain types of gifts have a higher required minimum value and are defined by gift category within this policy.

Q. Gift Valuations

Civil Air Patrol will not provide property appraisals or valuations for gifts made by a donor. 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. Civil Air Patrol shall acknowledge receipt of such properties but must not verify values in accordance with IRS regulations.

R. Donor Expenses

1. As a general rule, and except as provided elsewhere in this document for specific assets, including real estate, expenses associated with a donor's gift should be borne by the donor. Typical expenses include appraisal fees to substantiate the value of the donor's gift for tax purposes and the donor's legal fees.

2. Civil Air Patrol may agree to pay some or all of donor's expenses associated with a gift following a determination by the Gift Acceptance Committee that doing so not only is necessary to facilitate the gift, but the value of the item far exceeds the expense and is of value for Civil Air Patrol.

S. Disposition of Gift

It is the general policy of Civil Air Patrol to sell all gifts of securities and non-cash gifts it accepts, as soon as reasonably prudent in the discretion of the organization, and to reinvest the proceeds from those gifts.

T. Required Reporting of Gifts to the Internal Revenue Service

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

U. Variance Power

Civil Air Patrol will reserve the right, in the document that restricts the use of a gift, to broaden or alter the purpose of the gift should it be determined in the future that the original purpose of the gift ceases to exist, represents a need such that the Board of Governors is unable to find purposes for use of such funds, or becomes impractical or too difficult to administer. Significant effort will be made to honor the spirit of the original intent, when possible.

V. Gift Structures

A gift to Civil Air Patrol that is not restricted by the donor to an endowment fund or particular purpose may be expended for current operations and/or scholarship assistance needs as determined by the Civil Air Patrol Board of Governors. Donors are always encouraged to make unrestricted gifts.

1. Restricted Gift

A gift to Civil Air Patrol with restrictions by the donor to an endowment fund or particular purpose will be accepted if the use is consistent with the mission and goals of Civil Air Patrol. Civil Air Patrol reserves the right to refuse a restricted gift deemed unusable or impractical by the Board of Governors.

2. Endowment Gift

A gift or gifts made to the Civil Air Patrol to be managed in perpetuity for the benefit of Civil Air Patrol is encouraged. Endowment funds may be created with any property acceptable to the Civil Air Patrol Board of Governors or funded with other acceptable charitable gift instruments. An endowment gift may also be considered a named fund based on criteria described within this policy. It is recommended these gifts be given and/or placed in the Civil Air Patrol Foundation.

3. Named Funds (to be placed in the Civil Air Patrol Foundation)

a) A donor may establish a named endowment fund for general or restricted Civil Air Patrol purposes with a combination of gifts, pledges, and other funds to benefit a local unit or any Civil Air Patrol entity.

b) The minimum required funding for a separate, stand-alone or named endowment, or scholarship fund shall be \$50,000.

c) Specific purpose gifts below this minimum and those considered unlikely to meet the minimum, shall be commingled in an existing endowment or special purpose fund with a purpose that most closely meets the desired intent of the donor.

d) A written agreement signed by the donor(s) is required for each new fund established. Unless there are compelling reasons otherwise, each agreement must include the following:

(1) Donor name(s) and name of the endowment fund;

(2) Gift or pledge description, amount and due date (if relevant);

(3) Local Civil Air Patrol Unit, Civil Air Patrol program/entities (Cadet Scholarships, AE Scholarships, Flight Scholarships, etc.) to benefit and description of the intended use or purpose for funds distributed from the fund;

(4) A statement to the effect that, if, in the opinion of the Foundation, (a) the use or purpose for the fund has become impractical, wasteful, or impairs the management of the fund, or (b) because of circumstances not anticipated by the donor, a modification of the restriction will further the purposes of the fund or (c) a restriction on the use of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the Foundation may modify the use of the monies in a manner that will be consistent with the fund's original charitable purpose;

(5) A statement providing that all future additions to the endowment, regardless of source, shall be subject to the provisions of the fund agreement; and

(6) Other provisions which Civil Air Patrol determines to be necessary or appropriate.

e) For scholarship or encampment funds, the donor may designate funding as may be reasonable. Such designation shall be broad enough to allow for consistent and regular distributions of the scholarship and to avoid appearances that the funds are "targeted" to a particular individual(s). All scholarships should be paid directly to a charitable entity on behalf of the recipients, but not to any individual. To protect the gift deductibility, Civil Air Patrol strongly recommends that the donor not participate in the final selection of the recipient(s).

f) A named fund may be terminated by the Board of Governors, upon recommendation by the Chief of Philanthropy, when the market value of the assets remaining within the fund is small in relation to the cost of administering the fund. In such cases, all remaining assets within the named fund shall be transferred to the endowment fund to be administered pursuant to its terms.

IV. Gift Instruments

A. Types of Gifts Generally Accepted Without Review

Donors may choose to direct these for either Civil Air Patrol or Civil Air Patrol Foundation.

1. Cash

Cash gifts of any amount are accepted by Civil Air Patrol. These gifts can take the form of currency, check or credit card contribution. Cash or checks may be delivered in person, by mail, by wire transfer or by Electronic Funds Transfer (EFT). Current transfer instructions are available and confirmed through the Civil Air Patrol's Financial Management Department.

2. Marketable Securities/Publicly-Traded Stocks and Bonds

a) May be accepted at fair market value of the stock on the day the gift is received by Civil Air Patrol as determined under IRS rules.

b) If the securities are to be mailed, the stock certificates should be mailed separately from the signed stock power with signature guaranty. If the share certificates are hand delivered, the stock power may be attached. If the securities are in street name, the donor's broker may transfer them to a brokerage account provided by Civil Air Patrol.

c) Civil Air Patrol will instruct its brokers that all marketable securities will be sold upon receipt. The Chief of Philanthropy, in consultation with the Investment Committee of Civil Air Patrol, is authorized to override this general rule and direct that securities should not be sold, following consultation with Civil Air Patrol's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and General Counsel.

d) If the donor is a member of the Civil Air Patrol Board of Governors or a corporate officer of Civil Air Patrol, the donor will notify the Chief Operating Officer and General Counsel for the purpose of determining whether sale of the securities might be restricted under Rule 144 or other provisions of securities law.

3. Will or Bequests

a) Civil Air Patrol may, in its sole discretion, accept any gifts offered to it through bequests, will substitutes or testamentary trusts and instruments. Bequests may provide for a specific dollar amount in cash, specific securities, or specific articles of tangible personal property.

b) Such gifts are subject to the same guidelines and restrictions described elsewhere in this policy as if the gift were made to Civil Air Patrol during the donor's lifetime. Civil Air Patrol may, however, disclaim any bequest or testamentary gift if it determines that it is in the best interest of the organization to do so.

(1) Outright Bequest

You may bequeath your estate as an outright gift to Civil Air Patrol. However Civil Air Patrol shall not act as an executor or personal representative for a donor's estate.

(2) Residual Bequest

You may bequeath the remainder of your estate after you have made inheritance provisions for your family and other heirs.

(3) Contingency Bequest

You may bequeath a gift under certain terms or conditions, e.g., only if you outlive your spouse.

(4) Charitable Remainder Trusts

Civil Air Patrol will accept designation as a remainder beneficiary of charitable remainder trusts.

(5) Charitable Lead Trusts

Civil Air Patrol will accept designation as an income beneficiary of charitable lead trusts.

4. Retirement Plans

a) Beneficiary Designations

(1) The easiest way for a donor to donate retirement plan assets is to designate Civil Air Patrol as a primary beneficiary. Donors can contact the administrator of their plan to receive the correct forms to sign.

(2) For 401(k)s, if a donor is married, the spouse must waive his or her right to survivor benefits from the plan. Donors can specify an amount or percentage of the retirement plan assets to be gifted to Civil Air Patrol. Donors can also designate Civil Air Patrol as the secondary beneficiary. An alternative is to have retirement plan assets transferred at death to a charitable remainder trust.

(3) Retirement plan beneficiary designations and bequests are not recorded as gifts to Civil Air Patrol until the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of the gift is recorded at the time the gift becomes irrevocable.

b) Individual Retirement Account (IRA) Required Minimum Distribution

Donors ages 70 1/2 and above who qualify under IRS rules to donate their IRA Required Minimum Distribution are encouraged to work with their tax and investment advisors to designate Civil Air Patrol as the recipient.

5. Airline Miles

To donate frequent flyer miles to Civil Air Patrol, it is recommended the donor contact the airline. The IRS recognizes the donation of airline miles or points as a gift from the airline to the charitable organization. Therefore, miles donated to Civil Air Patrol are not considered tax-deductible by the individual donor. For further information, consult IRS Publication 526 and/or a personal tax advisor.

B. Types of Gifts Generally Accepted with Prior Review

Donors are asked to direct these types of gifts to Civil Air Patrol Foundation. It is recommended the donor visit with the Chief of Philanthropy to discuss interest and options.

1. Tangible Personal Property

a) Gifts of tangible personal property (personal property that can be physically relocated such as artwork, furniture, fixtures, historical memorabilia, antiques, vehicles, equipment, jewelry, etc.) will be considered and received by the organization on an individual basis. The donor is responsible for establishing the value of tangible personal property as outlined in this policy.

b) As a general rule of thumb, Civil Air Patrol does not accept gifts of aircraft due to liability concerns for the organization. Donors are encouraged to sell their aircraft out-right and contribute the proceeds of the sale.

c) Gifts of cars, boats, and other vehicles shall be coordinated through any third-party vehicle donation program as may be utilized by Civil Air Patrol at the time of gift, unless there are compelling reasons to handle such a gift directly with and through Civil Air Patrol.

2. Gifts of Real Property

a) Civil Air Patrol may accept gifts of real property, and shall record such gifts at fair market value if, at the time of the gift, there are no outstanding mortgages, tax liens, or other forms of encumbrances upon the land only after the following steps have been taken and the following determinations have been made:

(1) Completion of the Civil Air Patrol Gift Checklist as approved by the Board of Governors;

(2) Personal inspection of the real property by an approved appraiser. (According to Internal Revenue Service Rules, the appraisal must be within 60-days of the contribution);

(3) Civil Air Patrol and donor have reached an understanding as to the valuation of the property (at a minimum the estimated or appraised net value must be \$50,000 or more) and a written agreement and approval from the donor as to how post-transfer expenses shall be handled (e.g., taxes, assessments, insurance, homeowner's association fees, maintenance costs and other carrying costs of the land and/or buildings) and, if being used to fund a trust, how the trust will be funded to cover property expenses and maintenance until sold; and

(4) The property is personally visited by the Chief of Philanthropy, Chief Executive Officer or Chief Operating Officer, or an authorized agent or representative of Civil Air Patrol.

b) All gifts of real property will require a title policy, a survey, and a third-party Phase I environmental audit under the American Society of Testing and Materials standards conducted to provide evidence that the property is free of environmental hazards and any other local, state or federal environmental law or regulation.

c) The only exception shall be for gifts of residential property used solely for residential purposes for a significant period of time (i.e., 20 years or more). In cases where this exception applies, a Real Estate Environmental Checklist shall be provided.

d) The donor/executor transferring the gift property may also be required to execute an environmental indemnity agreement, if deemed advisable.

e) Any tangible personal property associated with real property gifts (e.g., furnishings for a home or ranch) should be segregated into and handled by separate gift proposals, Deeds of Gift, or other agreements.

3. Real Estate Remainder Interest in Home or Farm

Civil Air Patrol encourages gifts of residence or farm with a life estate reserved. The Civil Air Patrol Chief of Philanthropy will notify the donor and counsel in writing that property taxes, maintenance, and insurance continue to be the responsibility for the donor as long as he/she lives, unless otherwise negotiated. Gifts will be subject to the same guidelines for gifts of real property.

4. Oil and Gas Properties

These are acceptable gifts to the Foundation if in the form of a mineral royalty interest. Working interests may not be accepted.

5. Stock in Closely Held Corporation

a) Stock which is not regularly traded on an established national exchange such as the NYSE or NASDAQ may not be accepted without written approval by the Chief of Philanthropy and Chief Financial Officer of Civil Air Patrol.

b) Valuation must be at \$10,000 or more and before accepting closely held stock, Civil Air Patrol shall:

(1) Attempt to obtain non-binding repurchase provisions when the gift involves securities for which the donor or related parties are the primary market;

(2) Ensure there is a written gift agreement indicating the donor intends to make the gift and its purpose;

(3) Obtain copies of any related offers to purchase the stock, as well as applicable shareholder agreements and buy-sell agreements, especially if there are any restrictions on the transfer of the stock (i.e., rights of first refusal, formulas determining stock price, etc.);

(4) Consider if the company in question is a Subchapter S corporation, other criteria shall be the Unrelated Business Tax Income consequences of holding and selling the stock; and

(5) Request the ownership of the stock be properly assigned to Civil Air Patrol.

6. Life Insurance

a) Civil Air Patrol may only accept gifts of a life insurance policy if the organization is irrevocably named as owner and beneficiary of the policy, with all incidents of ownership intact in the policy. Gifts may be made by giving existing policies, by change of beneficiary, listing as a contingent beneficiary, or by purchasing new insurance.

b) If a policy is accepted which is not paid in full, Civil Air Patrol is under no obligation to continue premium payments, but may do so if it is found to be in the best interest of the organization. Should the donor wish to continue making payments on the policy, Civil Air Patrol will record gifts of cash to pay premiums.

c) Civil Air Patrol is not in a position to recommend agents or agencies. Those considering gifts of new insurance are urged to survey the market by reviewing the products of a number of companies.

7. Bargain Sales

a) Civil Air Patrol may enter into a bargain sale with donors, to purchase property deemed appropriate for Civil Air Patrol, at less than its fair market value.

b) Each proposed bargain sale gift must be considered on an individual basis and reviewed by the Gift Acceptance Committee in conjunction with the Chief Financial Officer; however, it is the policy of Civil Air Patrol to purchase such property for no more than 50% of its established or appraised value. Property would specifically be acquired with the intent for use in Civil Air Patrol programs. Civil Air Patrol may only expend or commit fund assets for a bargain sale transaction that are considered undesignated or unrestricted.

c) Appropriate safeguards shall be taken with respect to any bargain sales offered to Civil Air Patrol in the same manner as an outright gift of real estate.

V. Fee Structure for Gifts

Civil Air Patrol may levy gift fees for gifts or pledges of \$10,000 or more to help cover Board of Governors approved costs and expenses in the ordinary course of business. These fees include:

A. Development Fee

1. For new endowment gifts, pledge payments, or additions to an existing fund, Civil Air Patrol will assess a one-time development fee of five (5%) percent of the gift or pledge payment, or \$25,000, whichever is less.
2. For non-endowment gifts, the fee is taken at the time of the gift. For endowment gifts, 1/3rd of this fee is taken from earnings for each of the three calendar years following the gift date. For non-cash gifts, the fee is based on the net proceeds.

B. Annual Maintenance Fee

An annual fee of .75% (75 basis points) shall be assessed against each separate fund in the organization, except for a permanent endowment fund, until the year following the completed payments of its development fee.

C. Management Fees

Funds held by Integrated Investment Consultants shall be charged for the actual investment and management costs for the fund. Such assessments are subject to change as needed.

VI. Administration

A. Investment Policies and Procedures

A separate Investment Policy and Procedure document has been created and approved by the Civil Air Patrol Board of Governors.

B. Amendment of Gift Acceptance Policy

All Gift Acceptance and Policy Guidelines for Civil Air Patrol are subject to periodic review and amendment, upon appropriate resolution and vote by the Board of Governors. Such amendments may not be used to defeat or infringe upon the rights or expectations of any donor who may have made a gift, or entered into a gift agreement, prior to any amendments.