



Gift Acceptance Policies and Guidelines

Second Harvest of Silicon Valley, a not-for-profit organization under the laws of the State of California, encourages the solicitation and acceptance of gifts to Second Harvest of Silicon Valley (hereinafter referred to as Second Harvest) for purposes that will help Second Harvest further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to Second Harvest or for the benefit of any of its programs.

I. Statement of Purpose

Second Harvest manages a comprehensive program for long-term financial support of Second Harvest through a broad range of charitable gift options. The program actively solicits and accepts contributions to Second Harvest through bequests and other advantageous tax, financial and estate planning techniques. The purpose of this Gift Acceptance Policy is to provide guidelines relating to the acceptance and processing of gifts that are consistent with Second Harvest's mission.

The Finance Committee of the Board of Directors shall formally establish policies that officially commit the organization to a position which will protect:

- (1) the best interests of the donor;
- (2) the official representatives of Second Harvest;
- (3) the welfare of Second Harvest; and
- (4) the administrators charged with management related to a deferred gift program.

II. Use of Legal Counsel

Second Harvest reserves the right to seek advice of legal counsel in any and all matters relating to acceptance of gifts. Examples of situations where legal review may be appropriate are:

- a. Transactions with potential conflict of interest. This may include use of board members as sales agents in transactions, leases of gift property to staff or board, etc.
- b. Closely held stock transfers and gifts of real estate.
- c. The review of transactions governed by contracts or legal documents. This would include trusts naming Second Harvest as the trustee or any document obligating the trustee to take action.



III. Conflict of Interest

With respect to planned giving gifts, the interest of individual donors shall come before that of Second Harvest. Second Harvest will urge all prospective donors to seek the assistance and advice of independent professional advisors, including, but not limited to, tax or legal counsel in matters relating to their gifts and the resulting tax and estate planning consequences. If a representative of Second Harvest makes a referral to an independent professional advisor, it shall be understood that the referral is offered as a courtesy, and it is up to the donor to choose whether or not to retain that professional. No program, agreement, trust, contract, or commitment shall be knowingly urged upon any prospective donor that would benefit Second Harvest at the expense of the donor's interests and welfare.

Second Harvest recognizes the potential conflict between receiving donations from certain types of funders and fulfilling its programs. Second Harvest will not accept contributions from corporations, industries, organizations or congregations and their respective foundations whose core activities may be in direct conflict with the mission of Second Harvest, or which may put Second Harvest's non-discriminatory or non-partisan standing at risk or in any way will limit Second Harvest's ability to carry out its mission.

Second Harvest endorses the Model Standards of Practice of the Charitable Gift Planner promulgated by the Partnership for Philanthropic Planning and the Donor Bill of Rights promulgated by the Association of Fundraising Professionals.

IV. Restrictions on Gifts

Second Harvest will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with Second Harvest's stated mission, purposes and priorities. Second Harvest will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, gifts that are for purposes outside the mission of Second Harvest or gifts that require unreasonable marketing benefits. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee as listed below.



V. The Gift Acceptance Committee

The Gift Acceptance Committee will be charged to ensure that gifts received are consistent with these policies and that they are in the best interest of Second Harvest.

The Gift Acceptance Committee shall consist of the following individuals:

- Chief Executive Officer
- Chief Financial Officer
- Chief Philanthropy Officer
- Corporate Counsel

Gifts that require review or approval by the Gift Acceptance Committee include:

- Closely-held Securities and Stock Options *
- Real Estate (*if keeping the real estate for use)
- Tangible Personal Property (*depending on circumstances and value)
- Remainder Interests in Property (* if keeping the property for use)
- Intellectual Property Rights *
- Bargain Sales *
- Gifts whose structure fall outside the ordinary purposes, bylaws and procedures of Second Harvest

* These gifts require the additional approval of the Finance Committee of the Board of Directors.

The Gift Acceptance Committee is responsible to report its decisions on gift acceptance to the Finance Committee of the Board of Directors for gifts over \$500k from the above list. The Finance Committee of the Board is also responsible for reviewing these Policies and Procedures on a regular basis to ensure that they remain consistent with applicable laws and the programs of Second Harvest.

VI. Anonymous Gifts

Second Harvest will accept gifts from donors who wish to remain anonymous. All Second Harvest staff are authorized to accept gifts. As such, staff members are



authorized to know the origin of the gift including the donor's name and gift amount. Second Harvest reserves the right to refuse any gift it believes is not in the best interest of the organization.

Those donors who do not request anonymity may have their names published in the Second Harvest annual report and they may be listed on Second Harvest donor recognition displays located at Second Harvest facilities.

VII. Influence

Representatives of Second Harvest shall exercise extreme caution to avoid pressure, persuasion, or undue influence when a representative is to inform, counsel, and assist the donor in gift planning concerns. Representatives will exercise prudent consideration of the donor's personal interests as well as his/her charitable objectives.

All personnel employed by Second Harvest who contact prospective donors to solicit gifts or promote the planned gift program shall be paid a salary or fixed wage but shall not receive commissions that could give such personnel a direct beneficial interest in any agreement.

If Second Harvest personnel form a relationship with a donor through their work at Second Harvest and then receive a personal, financial or beneficial interest from that donor, that benefit shall be transferable to Second Harvest.

VIII. Scope of service

Services of representatives of Second Harvest shall extend beyond the consideration of Second Harvest to help donors remember whatever additional charitable interests they may have in other organizations and agencies.

IX. Confidential information

All private donor information, including addresses, phone numbers, names of beneficiaries, nature and worth of estates, amount of provisions, etc., shall be kept strictly confidential by Second Harvest and its authorized personnel unless the donor grants permission to use selective information for purposes of referral, testimonial, or example at the discretion of authorized representatives. Donors who make planned gifts will be notified of their inclusion in Second Harvest's Ashawna Hailey Legacy Society and will have the opportunity to remain anonymous if they prefer.



X. Authorization for negotiation

Only the personnel approved by the CEO shall be authorized to negotiate on behalf of the institution with any donor with respect to gift annuities, trusts, life income agreements, and other formal planned gift instruments. Any agreements that involve a legal obligation on the part of the institution or its agents which do not follow the forms described in this program or are special agreements of any kind will require the approval of the CEO and the Finance Committee of the Board of Directors.

XI. Disposition of Funds

Only upon the demise of the last life income beneficiary shall the principal amount of a planned gift be released to or for the use of the institution, and only an amount equal to the charitable remainder shall be released unless otherwise stated by the agreement.

XII. Endowment Fund

Second Harvest has established an endowment fund to provide a permanent source of funding for Second Harvest. Funds may be placed in the Endowment Fund by board designation. Ninety percent of unrestricted and non-designated donations received from bequests will be put into the Endowment Fund. For more information, see the Confidential Policy Statement for Board Designated Endowment.

XIII. Types of Gifts Accepted

A. The following gifts are acceptable

1. Cash
2. Cryptocurrency
3. Food
4. Bequests
5. Publicly Traded Securities
6. Closely Held Securities and Stock Options
7. Retirement Plan and IRA Beneficiary Designations
8. Life Insurance Beneficiary Designations
9. Charitable Remainder/Lead Trusts
10. Real Estate
11. Tangible Personal Property
12. Remainder Interests in Property



13. Intellectual Property Rights
14. Revocable Trust Agreements
15. Bargain Sales
16. Other gifts as approved by the GiftAcceptance Committee

B. The following criteria govern the acceptance of each gift form:

1. Cash

Cash is acceptable in any form. Checks shall be made payable to Second Harvest of Silicon Valley and shall be delivered to one of Second Harvest's offices.

2. Cryptocurrency

Donations of cryptocurrency are acceptable. Gifts of cryptocurrency shall be made through Second Harvest's designated transfer agent and shall be sold and converted to cash immediately upon receipt. In no instance shall Second Harvest received and hold any cryptocurrency unless authorized by the CFO, CEO and Finance Committee.

3. Food

Donations of food items are always welcome. Community members are encouraged to donate non-perishable food items through community-based food drives. Donations of fresh produce gleaned from local gardens will be accepted unless a quarantine or other policies are in effect that precludes Second Harvest from accepting such donations.

Prepared or perishable foods will be accepted at the discretion of Second Harvest personnel.

4. Bequests

Donors and supporters of Second Harvest will be encouraged to make bequests to Second Harvest under their wills and trusts. Such bequests will not be recorded as gifts to Second Harvest 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.

5. Publicly Traded Securities

Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the CEO or the Finance Committee of the Board of Directors. In some cases marketable securities may be restricted by applicable securities laws; in such instances the final determination on the acceptance of the restricted securities shall be made by the CEO or the Finance Committee of the Board of Directors.

6. Closely Held Securities/Stock Options

Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, and stock options can be accepted. However, such gifts must be reviewed by the Gift Acceptance Committee prior to acceptance to determine:

- The value of the gift
- The type of entity represented by the gift (for example CA Corporation, LLC, LLP)
- How the entity operates
- Whether the security has been formally appraised (at the expense of the donor)
- Whether there are restrictions on the security that would prevent Second Harvest from ultimately converting those assets to cash
- Whether the security is marketable and can be sold quickly, and
- Whether the security will generate any undesirable tax consequences for Second Harvest

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. For more information on the disposition of closely held securities, see the Policy Statement for Long Term Investments and the Confidential Policy Statement for Board Designated Endowment.



7. Retirement Plan and IRA Beneficiary Designations

Donors and supporters of Second Harvest will be encouraged to name Second Harvest as beneficiary of their retirement plans and IRAs. Such designations will not be recorded as gifts to Second Harvest 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.

8. Life Insurance Beneficiary Designations

Donors and supporters of Second Harvest will be encouraged to name Second Harvest as beneficiary or contingent beneficiary of their life insurance policies. Gifts of life insurance when Second Harvest is designated both owner and beneficiary may be accepted. When all rights in a policy are gifted to Second Harvest, the donor shall be informed of the advantages of making a gift of the premium amount to Second Harvest and encouraged to continue to make premium payments. Premium payments made to a policy that Second Harvest owns are tax-deductible. Such designations will not be recorded as gifts to Second Harvest 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.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, Second Harvest may:

- continue to pay the premiums,
- convert the policy to paid up insurance, or
- surrender the policy for its current cash value

Once the policy is accepted, life insurance holdings will be reviewed annually to determine whether it is best to continue to pay the premiums, convert the policy to paid up insurance, surrender the policy for its current cash value, or change the underlying investment structure.

9. Charitable Remainder/Lead Trusts

Second Harvest may accept designation as remainder beneficiary of a charitable remainder trust or income beneficiary of a charitable lead trust. Second Harvest will not accept appointment as trustee and will instead encourage the donor to use a professional fiduciary.



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10. Real Estate

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, Second Harvest may retain a licensed contractor to inspect the property. In the event that the initial inspection reveals a potential problem, Second Harvest shall retain a qualified inspection firm to conduct an assessment. The cost of the assessment shall be paid for by the donor.

When appropriate, a title binder shall be obtained by Second Harvest prior to acceptance of the real property gift. The cost of this title binder shall be paid for by the donor.

Criteria for the acceptance of the property shall include:

- Usefulness of property for the purposes of Second Harvest
- Present market value, as determined by a formal appraisal
- Undue restrictions on the use or sale of the property
- Knowledge of other owners and their interests
- Marketability – assessment of the market for salability, including likely timeframe for sale
- Restrictions, reservations, easements or other limitations associated with the property
- Carrying costs including insurance, taxes, mortgages, notes, etc.
- Costs associated with improvement, renovation or retrofitting
- Appreciation/depreciation potential
- Zoning
- Income potential while the property is held
- Cost of acquisition
- Results of the inspection/assessment

11. Tangible Personal Property

Second Harvest accepts contributions of tangible personal property and reserves the right to display, utilize, or sell donated personal property as it deems appropriate. The donor will be informed whether it is the intent to display, use or sell the property. The criteria for the acceptance of tangible personal property shall include the following considerations:

- Does the property fulfill the mission of Second Harvest?
- Is the property marketable?
- Are there any undue restrictions on the use, display or sale of the property?
- Are there any carrying costs for the property?
- Do the costs associated with liquidating the property exceed the benefits?
- Will sale of the property require a seller's permit and/or sales tax?



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Second Harvest may accept vehicles for internal use that meet the requirements of the Vehicle Donation SOP.

Donors who plan to take a deduction of more than \$5,000 for gifts of one or more similar items of property in any given tax year must obtain a qualified appraisal of the gift property and attach an appraisal summary (Section B of Form 8283) to their tax returns. Part I (Donee Acknowledgment) of this appraisal summary must be completed by the Second Harvest Controller or CFO. A copy of the completed appraisal summary must be retained by Second Harvest for its tax records when the donor submits Form 8283 to Second Harvest for signature. In the event Second Harvest, within three years of the date of the gift, sells or disposes of said gift property for which an appraisal summary was required, Second Harvest must file IRS Form 8282 within 125 days of the date of sale or disposition. A copy of the Form 8282 will be furnished to the donor.

12. Remainder Interests in Property

Second Harvest may accept a gift of personal residence or farm with a life estate retained by the donor. The donor may retain the right to live in the property, share this right with another, or gift the right to a third party. Acceptance of the property shall be subject to all the requirements for the acceptance of any gift of real estate as outlined above. In addition, Second Harvest shall have a written agreement stating that the donor will be responsible for any expenses concerning maintenance, insurance, taxes and other matters. At the death of the final life tenant, Second Harvest shall have unrestricted title to the property and shall convert said residence to cash.

13. Intellectual Property Rights

Intellectual property rights, which include royalties, patents, copyrights, contract rights or other similar interest, will be examined in light of the following criteria:

- Is the intellectual property right related to the mission of Second Harvest?
- Can the ownership of the intellectual property right be clearly transferred or assigned to Second Harvest?
- Is the intellectual property right a full or fractional interest?
- Does the right to the intellectual property generate, or have the potential to generate, at least \$5,000 or more each year?
- Is there a market for the sale or licensing of the intellectual property right?
- Are there any costs associated with the acceptance of the right?
- Are there any restrictions on the retention or use of the property?
- What agreements or other legal documents would Second Harvest be required to execute in order to obtain patents, market the property and grant licenses in the name of Second Harvest?



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14. Revocable Trust Agreements

Second Harvest encourages donors to name Second Harvest as a beneficiary of all or a portion of a revocable trust agreement. However, Second Harvest will not serve as trustee of a revocable trust agreement and will instead encourage the donor to use a professional fiduciary.

15. Bargain Sales

Second Harvest may enter into a bargain sale arrangement in instances where the bargain sale furthers the mission and purposes of Second Harvest. In determining the appropriateness of the transaction, Second Harvest will consider whether:

- The value of the property has been substantiated by an independent appraisal
- Any debt ration assumed with the property is less than 50% of the appraised market value
- Second Harvest will use the property, or there is a market for sale of the property allowing sale within 12 months of receipt
- The costs to safeguard, insure, and expense the property during the holding period has been determined

C. Miscellaneous Provisions

1. Securing appraisals and legal fees for gifts to Second Harvest

It is the responsibility of the donor to secure and pay for an appraisal (when required) with a firm reasonably acceptable to Second Harvest. If a second appraisal is requested by either the donor or Second Harvest, that appraisal shall also be paid for by the donor. It is the responsibility of the donor to secure all independent legal, financial or other professional counsel (when needed) for all gifts made to Second Harvest.

2. Valuation of gifts for development purposes

Second Harvest will record a gift received by Second Harvest at its valuation for gift purposes on the date for which the cash value received by Second Harvest is confirmed where such gift is being converted to cash. For all other cases, the valuation of a gift shall be the fair value as determined a formal appraisal of such gift.



3. Responsibility for IRS filings upon sale of gift items

The Second Harvest Finance Department is responsible for filing all appropriate tax forms when the charitable deduction value of the item is more than \$5,000.

4. Gift acknowledgements

Acknowledgements of all gifts made to Second Harvest and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Second Harvest Development Department. Donors may specify their communication and acknowledgement preferences.

5. Sponsorships

Second Harvest has a robust sponsorship fundraising program. Campaign, fund and program sponsorships which publicly recognize corporations, organizations, foundations and individuals for their gifts will be accepted at the discretion of the CEO and Chief Philanthropy Officer subject to review by the Finance Department to ensure tax requirements are met. Marketing and public relations benefits recognizing sponsors will be fulfilled as they are outlined in the specific sponsorship contracts. Second Harvest will carefully consider offering sponsorship opportunities to institutions that have religious or political affiliations and institutions whose core business conflicts with the mission of Second Harvest. Second Harvest may at the discretion of the CEO or the Chief Philanthropy Officer, refuse any sponsorship offer that is deemed to conflict with or potentially damage the mission and objectives of Second Harvest.

6. Donor privacy

Please see Second Harvest's Privacy Policy.

XIV. Types of Gifts Not Accepted

A. The following gifts are not accepted

1. Pooled Income Funds
2. Time Shares



XV. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Finance Committee of the Board of Directors of Second Harvest. The Finance Committee of the Board of Directors of Second Harvest must approve any changes to or deviations from these policies.

Approved by Board of Directors on February 10, 2022