

## The Palmas Academy Gift Acceptance Policy

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Mission: We aim to inspire the next generation of visionary problem-solvers by cultivating a joyful, principled, and diverse community of balanced learners for Puerto Rico and an ever-evolving world.

Vision: A dynamic, safe learning community where every student is empowered through inquiry, guided by principles, and inspired to achieve excellence in all aspects of the student experience, while leveraging our unique community to foster relevance and impact that will shape a better world.

Values:

- Our students are the center of our school.
  - Nurturing every trait of the Dolphin Learner Profile fosters lifelong success, meaning, and growth.
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### **I. Purpose**

The purpose of this policy is to guide the acceptance and stewardship of charitable gifts to The Palmas Academy (“TPA”) in a manner consistent with our mission, vision, values, and legal obligations. This policy ensures transparency for donors and accountability in the use of all philanthropic support. These policies in this document shall apply to all gifts received by the school for any of its programs or services. The Board of Trustees adopts this policy and may amend it from time to time, in consultation with the Head of School, to reflect legal updates, operational changes, or evolving best practices.

### **II. General Policy**

TPA welcomes gifts that allow us to fulfill our mission, support our current operations, and secure our future. Gifts should be given with philanthropic intent, and donors should not expect nor receive special treatment or personal benefit. This includes, but is not limited to, preferential admissions treatment, influence over hiring decisions, or input on curriculum design. All gifts must align with TPA’s independent governance and educational integrity. The Palmas Academy reserves the right to refuse any gift from any donor and the right to rescind acceptance of any gift that does not adhere to the tenets in this document. In particular, the school reserves the right to decline any gift that: is inconsistent with the school’s mission, vision, or values; imposes undue restrictions or obligations; creates potential conflicts of interest; or is not in the best

interest of the institution. TPA may also decline gifts that could reasonably be expected to expose the school to reputational harm.

This policy is intended to guide current and future gift acceptance practices. It does not govern or retroactively alter any naming rights, recognition, or gift agreements made before the adoption of this policy. Past practices or exceptions shall not be considered precedent for future decisions unless explicitly reaffirmed by the Board of Trustees.

### **III. Compliance**

The Palmas Academy is a 501(c)3, a 1101.01 Hacienda nonprofit, and on the CECFL list of approved Puerto Rico nonprofits. Accordingly, we conform with all applicable laws and regulations of the Commonwealth of Puerto Rico and the Internal Revenue Service (IRS).

The Palmas Academy does not provide legal guidance for donors about the legal or tax implications of their gift, including suitability for Act 60 giving requirements. TPA encourages prospective donors to seek assistance from their legal and financial advisors in all matters relating to philanthropy and the resulting tax and estate planning consequences. Donors are responsible for the valuation of non-cash gifts and for the cost of any outside advice/counsel necessary to ensure legal compliance.

### **IV. Giving Opportunities**

- Unrestricted giving: Gifts given to the School without specific designation by the donor are considered to be unrestricted gifts, and may be used for any purpose that supports and advances The Palmas Academy's mission, as determined by the BOT, Head of School, Director of Finance, and Advancement office. This includes gifts made to the Impact Fund / Annual Appeal. Unrestricted gifts offer the most excellent flexibility in meeting the school's operational and strategic needs.
- Restricted Giving: Any gift given for a specific purpose is considered a restricted gift. The Director of Institutional Advancement and the Head of School have the discretion to accept these gifts when the donor's intent is clear, aligns with institutional priorities, and is administratively feasible. TPA retains the right to reject or negotiate restrictions.

### **V. Types of Acceptable Gifts**

TPA accepts the following types of gifts:

- Cash and Cash Equivalents, including checks, credit cards, ACH, and wire transfers.
- Publicly Traded Securities, which are typically liquidated upon receipt.

- Corporate Matching Gifts: The School gratefully accepts corporate matching funds that amplify an individual donor's contribution, provided the originating gift meets the guidelines of this policy and the matching funds carry no additional restrictions beyond those placed on the original gift.
- Cryptocurrency: If gifted through our portal. Typically liquidated upon receipt.
- Real Property & Planned Gifts: We accept bequests, charitable trusts, retirement accounts, and life insurance on a case-by-case basis. Real property is accepted upon completion of appropriate due diligence (e.g., appraisal, environmental review). In all cases, such gifts shall be evaluated by the Head of School, the Finance Office, and/or the Board of Trustees.
- Tangible Personal Property & In-Kind Contributions: We accept donated goods or services for events, classrooms, or campus improvements. We may consider other contributions, if deemed useful to TPA's mission or convertible to cash. Gifts of tangible personal property and in-kind contributions are deductible according to the fair market value (FMV) as evidenced by the donor. For proper acknowledgment, donors should provide the school with a detailed description of their donation. Under IRS guidelines, the School will provide the donor with an acknowledgement of the gift but will not acknowledge a fair market value (FMV) unless the donor provides an independent appraisal. It is the donor's responsibility to substantiate the FMV to the IRS.

## **VI. Review and Approval Process**

All gifts are subject to review by the Head of School and/or Board of Trustees. However, the following gifts require review and approval:

- Real estate or other non-liquid assets;
- Gifts with ongoing obligations or significant administrative costs;
- Gifts subject to unusual restrictions;
- Gifts of non-publicly traded securities or business interests;
- Named funds or capital/naming opportunities.

## **VII. Gift Acceptance and Administration**

TPA provides timely acknowledgments for all charitable gifts following IRS requirements. Gifts will be recorded on the date the gift is received in the Advancement Office, except for gifts received at the close of the year. At that time, the postmark on the envelope shall serve as the

gift date. Receipts for past gifts are available upon request from the advancement office; however, please note that donors are responsible for securing independent appraisals of non-cash gifts. TPA does not provide valuations for tax purposes.

Once received, the gift becomes the sole property of The Palmas Academy and can be used, sold, and/or liquidated at any time at the discretion of the Board of Trustees, Head of School, or acting agents.

Where appropriate, the school shall enter into a written agreement with the donor specifying the terms of any restricted gift. Gifts for named endowments, capital gifts that include naming rights, multi-year gifts and pledges, and gift commitments of \$50,000 or greater must be made by written contract signed by the HOS. No building, program, position, or major campus facility may be named without the express approval of the Board of Trustees, based on a written agreement specifying the terms and duration of recognition.

The Advancement Office and the Head of School are the only authorities to accept gifts of any type made to the school. No member of the staff should accept a gift of money or property of any kind without first informing the Advancement Office.

All fundraising activities undertaken by clubs, graduating classes, or other TPA organizations should not commence without consulting with the Advancement office and complying with all the guidelines as laid out in the Student Handbook. Similarly, no student or employee may solicit for any unapproved cause or reason. No employee should solicit on behalf of TPA without first consulting with the Director of Institutional Advancement or Head of School to ensure alignment in fundraising efforts and avoid oversolicitation.

### **VIII. Donor Recognition and Confidentiality**

The Palmas Academy is deeply grateful for every gift, at every level. Every contribution, regardless of size, helps advance our mission and strengthen our school community. TPA may establish criteria to acknowledge donors based on various giving levels and types of gifts. Recognition opportunities will be guided by the nature and intent of the gift, the donor's wishes, and the values of the school. These may include, but are not limited to, publication of the donor's name in donor listings, inclusion on plaques or signage, or invitation to donor recognition events. While TPA strives to celebrate generosity in meaningful ways, public recognition is not guaranteed and will only be extended when appropriate or expressly outlined in a fundraising campaign or gift agreement. Donors who wish to remain anonymous may request to be excluded from such recognition, and TPA will comply, except where required to disclose for legal purposes.

Naming opportunities are an important way to recognize transformative philanthropy and create lasting legacies at The Palmas Academy. While the school is deeply grateful for all gifts, not every contribution will qualify for a naming opportunity. Naming decisions are made thoughtfully and strategically to align with the mission, values, and long-term vision of the institution. The

threshold for naming recognition is determined by the size, impact, and strategic importance of the gift, and is subject to review and approval by the Head of School and the Board of Trustees. The school reserves the right to decline or modify proposed naming opportunities to ensure appropriateness, sustainability, and consistency with institutional priorities.

## **IX. Ethical Standards**

The Palmas Academy is committed to the highest standards of ethical fundraising, in alignment with the principles established by the Council for Advancement and Support of Education (CASE), the National Association of Independent Schools (NAIS), and other relevant professional organizations.

All fundraising activities shall be conducted with integrity, transparency, and accountability. The Advancement Office and all individuals engaged in fundraising on behalf of the school will avoid any appearance of coercion, undue influence, or conflict of interest.

TPA recognizes that philanthropy is a voluntary act and affirms every donor's right to respectful engagement, accurate information, and appropriate acknowledgment. Donors can expect to be informed of the school's mission, the intended use and impact of their gift, and the school's ability to steward it effectively. They have the right to timely recognition (or anonymity, if preferred), assurance of confidentiality and alignment with donor intent, access to financial information, and clear, honest answers to any questions.

**By upholding the policies outlined in this document, TPA affirms its commitment to ethical philanthropy and responsible stewardship, thereby securing our future and strengthening our mission to cultivate principled, empowered learners.**

*Approved by The Palmas Academy Board of Trustees, August 8, 2025.*