



Contribution Acceptance Policy

Introduction

The Texas Civil Rights Project (“TCRP”) solicits and accepts contributions for purposes that will further the organization’s mission and vision.

Mission Statement: We are Texas lawyers for Texas communities, boldly serving the movement for equality and justice in and out of the courts.

Vision Statement: We envision a Texas where all communities thrive with dignity, justice and without fear.

In order to protect the interests of TCRP and the persons and other entities that support our programs these policies are designed to assure that all contributions to, or for the use of, TCRP are structured to provide maximum benefits to both parties. TCRP urges all prospective contributors to seek the assistance of personal legal and financial advisors in matters relating to their contributions, including the resulting tax and estate planning consequences.

The following policies and guidelines govern acceptance of contributions made to TCRP for the benefit of any of its operations, programs or services.

Goals: The following policies aim to encourage those contributions which are beneficial to TCRP and to eliminate or limit those contributions which may prove to generate more cost than benefit, which may in some way jeopardize the operations or reputation of the organization, or which are restricted in a manner that is not consistent with the goals of the organization.

In order to optimize funding from individuals and other entities, TCRP must be capable of responding quickly, and in the affirmative where possible, to all contributions offered by prospective contributors. It is understood that except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained since some contribution situations can be complex, and decisions only made after careful consideration of a number of interrelated factors.

Restrictions on Contributions: TCRP will not accept contributions that (as determined by TCRP), (a) would result in the organization violating its corporate charter or bylaws, (b) would result in TCRP losing its status as an IRC § 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would actually or potentially injure the reputation of the organization, (e) are for purposes outside TCRP’s mission, vision, and priorities, (f) are incompatible with the mission of the organization, (g) would create an obligation which would cause an undue burden on the organization, (h) create an obligation which would come in conflict with TCRP’s mission and values, or (h) may create an obligation which would dissipate resources from other programs and priorities.

Definition of the Collective Bargaining Unit: As of the date of ratification of this policy the Collective Bargaining Unit includes: professional assistants, technical staff, paralegals, and attorneys. TCRP Managers are excluded from the Collective Bargaining Unit. TCRP Managers include: TCRP’s President, Legal Program Directors, Director of Strategic Partnerships, Communications Director, and Finance Director.

Use of Legal Counsel: The Texas Civil Right Project will seek the advice of legal counsel in matters relating to acceptance of contributions when appropriate. Review by counsel is recommended for:



1. Contributions of securities that are subject to restrictions or buy-sell agreements,
2. Documents naming TCRP as trustee or requiring TCRP to act in any fiduciary capacity,
3. Contributions requiring TCRP to assume financial or other obligations,
4. Transactions with potential conflicts of interest, and
5. Contributions of property, which may be subject to environmental or other regulatory restrictions.

Outright Contributions

Except as restricted by the policies set forth above, outright contributions shall be subject to the following:

Cash:

1. Contributions in the form of cash, checks, money orders or made via credit card shall be accepted regardless of amount unless:
 - a. there is a question as to whether the contributor has sufficient title to the assets;
 - b. there is a question as to whether the contributor is mentally competent to legally transfer the funds as a contribution to the organization; or
 - c. the contributor places restrictions on the contribution that are contrary to public policy, potentially illegal, or are incompatible with the organization's mission, vision, and priorities.
2. All checks must be made payable to TCRP and shall in no event be made payable to an employee, board member, or volunteer for the credit of the organization.

Publicly Traded Securities:

1. Publicly traded securities shall be accepted by TCRP.
2. Such securities will be sold as soon as practicable by TCRP.
3. Securities are recorded and valued the date they are deposited into TCRP's accounts.
4. Valuation of the contribution of a security is derived from the mean of the high and low price per share on the date of the contribution.
5. For bonds donated, accrued interest is also included in the contribution amount.

Closely-Held Securities:

1. Non-publicly traded securities including limited partnership and similar ownership interests, may only be accepted after approval of the Contribution Acceptance Review Committee.
2. Such securities shall be evaluated by a qualified appraiser to determine fair market value and may be subsequently sold only with the approval of the Contribution Acceptance Review Committee.
3. Because values are not readily available and there is an indeterminable discount for illiquidity, no valuation is included on the contributor's receipt for contributions of closely-held securities. The contributor should consult their tax advisor to determine the appropriate deduction to take for such contributions.
4. Contribution credit for closely-held securities is applied to the contributor's record based on proceeds realized upon sale.

Real Property:

1. The Contribution Acceptance Review Committee must receive a reasonably current appraisal of the fair market value of the property and interest in the property TCRP would receive if the proposed contribution were approved. TCRP's Director of Strategic Partnerships will inform the contributor that, if the contribution is completed, the IRS requires an appraisal made within 60 days of the date of the contribution and that it is TCRP's policy to dispose of all contributions of real estate, other than property which TCRP wishes to retain, as expeditiously as possible. Thus, regardless of the



value placed on the property by the contributor's appraisal, TCRP will attempt to sell at a reasonable price, in light of current market conditions.

2. All proposed contributions of real property, including contributions from estates, must be accompanied by an environmental audit performed at the contributor's expense. The only permitted exception to this requirement is for residential property that has been used solely for residential purposes for a significant (at least twenty-year) period of time. In cases where this exception applies and no environmental audit is undertaken, the contributor/executor may be required to execute an environmental indemnity agreement. Even in the case where an environmental audit is submitted, the contributor may be required to sign an environmental indemnity agreement.
3. The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, liens, and other limitations of record must be disclosed.
4. The existence and amount of any carrying costs, including but not limited to, property owners' association dues, country club membership dues and transfer charges, taxes, and insurance, must be disclosed by the contributor prior to acceptance of the property by TCRP.
5. A copy of any title information in the possession of the contributor, such as the most recent survey of the property, a title insurance policy, and/or an attorney's title opinion, must be furnished.
6. Additional considerations include the following:
 - a. Type of real property and location,
 - b. Purpose of the contribution (e.g., endowment, unrestricted)
 - c. Any potential use by TCRP, and
 - d. Any special arrangements requested by the contributor concerning disposition (e.g., price considerations; time duration prior to disposition; potential buyers; or realtors/brokers with whom the contributor would like TCRP to list the property, etc.)
7. The execution and delivery of a deed of contribution or other appropriate conveyance completes the contribution. The costs associated with the conveyance and delivery of the contribution, including but not limited to, recording fees and, if deemed necessary by the Contribution Acceptance Review Committee, a current survey, title insurance, and/or an attorney's title opinion, are the contributor's responsibility.

Tangible Personal Property:

1. TCRP accepts only items that can be used at organizational facilities, auctioned at fundraising events, or readily sold on the open market.
2. Acceptable items include, but are not limited to, the following:
 - a. Food, if in sufficient quantities and in unopened original packaging,
 - b. Office equipment, furniture, and supplies,
 - c. Tickets to sporting and entertainment events,
 - d. Computer equipment and supplies,
 - e. Books, if in saleable condition (i.e. covers intact, no water damage, no highlighting),
 - f. Games and entertainment products (i.e., DVDs, CDs, videocassettes, cassette tapes),
 - g. Marketing and promotional materials,
 - h. Household electronics and appliances (i.e., televisions, DVD players, cameras, refrigerators),
 - i. Works of art ready and appropriate for public display,
 - j. Gift certificates, new products, or other items suitable for use as prizes or auction items.
3. All contributions of personal property must be reported immediately to the Community Engagement Department. Staff members are encouraged to contact the development office before accepting or taking delivery of in-kind contributions.
4. All contributors making in-kind contributions are asked to complete an in-kind donation form so



donations are correctly recorded and acknowledged.

5. TCRP reserves the right to decline any in-kind contributions
6. No personal property shall be accepted that obligates TCRP to ownership of its use in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard will be accepted without prior approval of the Contribution Acceptance Review Committee.
7. Any contribution of property worth more than \$5,000 requires an authorized appraisal, to be paid for by the contributor.

Other Property:

1. Property of any description included mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by action of the Contribution Acceptance Review Committee or persons duly acting on its behalf.

Review of Certain Contributions

These policies may, in some instances, require that the merits of a particular contribution be considered by a Contribution Review Acceptance Committee (the "Committee"). The Committee will consist of TCRP's President, Board Chair, two other members of the Board (selected by the Board Chair based on, among other things, availability), the Director of Strategic Partnerships, and one member of the Collective Bargaining Unit.

Decisions on whether a proposed contribution should be accepted or rejected, and on whether a proposed contribution has acceptable restrictions or other limiting features, shall be made by the Committee by vote of a majority of Committee members participating. For proposed contributions whose expected value to TCRP is less than \$75,000.00, the Committee's decision will be final. In the event of a tie vote by the Committee, the Board will make the final decision. For proposed contributions whose expected value to TCRP is \$75,000.00 or greater, the Committee's decision will be promptly reviewed by the Board of Directors by vote of a majority of Board members participating (including those Board members on the Committee). The decision of the Board will be final. The Board will give consideration to both the vote of the Committee and the views of TCRP lawyers and staff on the proposed contribution.

Deferred Contributions

Bequests

1. A bequest is a contribution of any amount or form made to TCRP in a contributor's will. Bequests may provide for a specific dollar amount in cash, specific securities, or specific articles of tangible personal property.
2. Contributions through wills (bequests) shall be actively encouraged by TCRP.
3. TCRP is pleased to be named as a charitable beneficiary in a contributor's will. Contributors may make bequest provisions that name TCRP as any of the following:
 - a. Sole beneficiary;
 - b. Beneficiary of a portion of the estate (e.g., 30%, 50%, etc.);
 - c. Beneficiary of the remainder of an estate or a portion of the remainder of an estate after specific needs have been fulfilled;
 - d. Beneficiary of a specific dollar legacy; or
 - e. Contingent beneficiary.
4. Attempts shall be made to discover bequest expectancies wherever possible.



5. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Contribution Acceptance Review Committee and every attempt be made to encourage the contributor involved to conform his or her plans to our policy.
6. Contributions from the estates of deceased contributors consisting of property, which is not acceptable shall be rejected only by action of the Contribution Acceptance Review Committee. The Director of Strategic Partnerships shall expeditiously communicate the decision of the Contribution Acceptance Review Committee to the legal representative of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision of the Contribution Acceptance Review Committee, this fact shall be communicated to the Contribution Acceptance Review Committee as quickly as possible.

Charitable Remainder Trusts

1. At this time, TCRP does not accept Charitable Remainder Trusts.

Pooled Income Funds

1. At this time, TCRP does not offer a Pooled Income Fund

Charitable Gift Annuities

1. At this time, TCRP does not offer a charitable gift annuity program.

Life Insurance Policies

1. At this time, TCRP does not accept contributions of whole, term, or universal life insurance policies.

Endowment Contributions:

1. At this time, TCRP does not manage or maintain an endowment and therefore cannot accept contributions earmarked for investment purposes.

Payment of Fees Related to Contributions to TCRP

Finder's Fees or Commissions

1. In general, TCRP will pay no fee to any person as consideration for directing a contribution to the organization.
2. It is understood that such fees may or may not be legal and that in the case of irrevocable, deferred contributions which involve management of assets, the payment of such fee may subject TCRP, its management and Board of Directors to federal and state/province security regulation.

Professional Fees

1. TCRP will pay reasonable fees for professional services rendered in connection with the completion of a contribution to the Texas Civil Right Project. Such fees will be paid only with prior approval of the Contribution Acceptance Review Committee.
2. Such fees will be paid only following discussion with and approval by the contributor.
3. Fees shall be reasonable, and directly related to the completion of a contribution. They shall be limited to appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction, and fees of "fee for service" financial planners. In the case of financial planners, such persons must aver in writing that they are compensated only through



fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions that could be construed as triggering securities regulation.

4. In the case of legal, accounting and other professional fees, an attempt shall be made by the Contribution Acceptance Review Committee to ascertain the reasonableness of these fees prior to payment. An hourly breakdown of time should be requested. In cases that appear excessive, the summary of fees shall be submitted to TCRP corporate counsel for review and approval prior to payment.
5. In cases where the persons receiving fees were initially employed by the contributor and TCRP is asked to pay the fees involved, the contributor shall be notified that the payment of such fees may result in taxable income to the contributor in the amount of the fees paid.
6. In situations where advisors retained by TCRP prepare documents or render advice in any form to TCRP and/or a contributor to TCRP it shall be disclosed to the contributor that the professional involved is in the employ of TCRP and is not acting on the behalf of the contributor and that any documents or other advice rendered in the course of the relationship between TCRP and the contributor should be reviewed by counsel for the contributor prior to completion of the contribution.

Any questions or inquiries regarding any items contained in the above policy should be directed to TCRP's Director of Strategic Partnerships at (512) 474-5073 x 102.

Adopted: September 27, 2018