Gift Acceptance Policy

The Houston Livestock Show and Rodeo and HLSR Ed Fund (collectively "HLSR") are both nonprofit corporations recognized as 501(c)(3) charitable organizations. HLSR encourages the solicitation and acceptance of charitable gifts that support its mission to promote agriculture through an annual family friendly event that educates and entertains the public, supports Texas youth, showcases Western heritage, and provides year-round educational opportunities within the community.

This Gift Acceptance Policy ("Policy") outlines how HLSR solicits, reviews, and accepts charitable gifts. It provides clarity for staff, volunteers, donors, and advisors to ensure that all gifts advance HLSR's mission and do not create financial or legal issues for the organization.

HLSR reserves the right to update, modify, or approve exceptions to this Policy at any time when doing so is in the best interest of the organization and its mission.

Definition of a Charitable Gift

A charitable gift is a voluntary and irrevocable transfer of money, property, or other assets to HLSR without receiving goods, services, or other benefits of equal value in return. Gifts may come from individuals, corporations, foundations, donor-advised funds, estates, or other sources. All gifts must be made with charitable intent and become the property of HLSR upon acceptance.

Charitable gifts may take a variety of forms, including:

- **Cash and cash equivalents:** Checks, credit card payments, electronic transfers, or online donations
- **Donor-advised fund** (DAF) distributions
- **Corporate or foundation grants** that support HLSR programs and priorities
- **Securities:** Publicly traded stocks, bonds, mutual funds, and closely held or restricted securities *(subject to review)*
- **Property:** Land, buildings, mineral interests, or other real estate *(subject to review and due diligence)*
- **Personal property:** Vehicles, equipment, artwork, collectibles, livestock, or other physical items
- **In-kind gifts:** Goods, products, or services provided without charge
- **Bequests and other estate gifts:** Contributions made through a will or estate plan
- **Planned or deferred gifts:** Charitable trusts, retirement plan or IRA beneficiary designations, or life insurance policy donations

Naming Opportunities

Naming opportunities are available for endowed funds, buildings, rooms, facilities, or other capital projects for which HLSR has authorized construction or has approved for donor recognition, memorial, or other purposes. HLSR is authorized to develop and revise lists of gift opportunities, with an indication of the amounts required for naming.

Scholarship Endowment Funds

HLSR currently requires a minimum gift of $250,000 to create a named endowment. Endowment gifts in smaller amounts may be donated to create a named scholarship for one year after review by senior leadership.

Endowed Funds may be established as a part of a planned gift at less than the required amount when the donor's written intent is to meet the minimum gift requirements within a mutually agreed upon period of time. Should contributions to a fund not meet the minimum gift amount of $250,000 by the required time period, HLSR senior leadership may choose to dissolve the Fund. In the event that the Fund is dissolved, all of the contributed assets as of such date, plus any returns thereon or growth thereof, may be disbursed to HLSR and be used at the discretion of HLSR while still crediting the Donor for any contributed assets.

Named Endowment Funds are subject to a change in use if the stated purpose of the fund becomes impractical, impossible, or obsolete, or it becomes advisable to deviate from the express purposes of the gift to further the mission.

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HLSR welcomes charitable contributions that support its mission and can be responsibly administered. Certain gifts, such as cash, grants, publicly traded securities, and donor-advised fund distributions, involve minimal administrative complexity and can be processed directly by HLSR.

Other gifts require additional internal review because of their complexity or potential risk. These include real estate, personal property, closely held securities, planned gifts, restricted gifts, and in-kind gifts that involve special handling or ongoing obligations. These gifts are reviewed by HLSR senior leadership, with legal or financial advisors consulted as needed, to ensure they support HLSR's mission, comply with legal requirements, and do not create administrative or financial strain.

HLSR may decline gifts that conflict with its mission, create excessive administrative or financial obligations, include restrictions that are not feasible or appropriate, or pose legal, reputational, or operational risks. HLSR will not accept gifts with discriminatory restrictions or gifts that could jeopardize its tax-exempt status.

Generally Accepted Gifts

HLSR may accept certain types of gifts without additional review when they are made under standard terms and present no unusual restrictions or administrative requirements. These gifts may be received directly by the Legacy Giving Department and processed in accordance with internal procedures and IRS requirements. Generally accepted gifts include:

- Cash and cash equivalents
- Publicly traded securities
- Donor-advised fund distributions
- Corporate or foundation grants
- Unrestricted gifts that support HLSR's mission and programs

These gifts may be processed by the Accounting Department as part of routine operations.

Gifts Requiring Internal Review

Some gifts, because of their complexity, value, or potential risk, require review by HLSR senior leadership before they are accepted. These gifts include:

- Real estate
- Personal property
- Closely held, non-publicly traded, or restricted securities
- In-kind contributions requiring special storage, handling, maintenance, or insurance
- Gifts with donor-imposed restrictions
- Planned or deferred gifts, such as bequests or trusts
- Any gift that could impose ongoing financial, administrative, or operational obligations

These gifts will be reviewed by HLSR senior leadership with legal counsel and industry professionals consulted, as needed. In evaluating non-routine gifts, HLSR will consider:

- Donor intent and alignment with HLSR's mission
- Short-term and long-term financial, administrative, and legal implications
- The feasibility of donor-imposed restrictions
- Marketability, liquidity, or ease of use or sale

- Potential impact on future donor relationships

If a gift presents unusual risk or complexity, HLSR senior leadership may elevate the decision to the HLSR Executive Committee.

Gifts That May Be Declined

HLSR reserves the right to refuse any gift that does not support its mission or that cannot be properly administered. A gift may be declined if it:

- Conflicts with HLSR's mission, values, or charitable purpose
- Imposes excessive financial, administrative, or legal obligations
- Includes restrictions that are not feasible, enforceable, or in HLSR's best interest • Could jeopardize HLSR's tax-exempt status
- Requires resources or expertise that HLSR does not have the capacity to provide
- Includes discriminatory restrictions related to race, creed, national origin, gender, sexual orientation, religion, immigration status, or any protected class
- Creates a real or perceived conflict of interest for HLSR

Conflicts of Interest

HLSR will refuse any gift that presents a real or perceived conflict of interest. Conflicts may arise when a donor receives substantial personal benefit, when a gift resembles a quid pro quo arrangement, or when acceptance could compromise HLSR's integrity, objectivity, or public standing.

Staff and board members must disclose any potential conflicts. These gifts will undergo review by HLSR senior leadership and may require approval from the HLSR Executive Committee.

Use of Legal Counsel and Professional Advisors

HLSR encourages donors to seek independent professional advice, such as tax, legal, or financial counsel, when making planned gifts, restricted gifts, or complex non-cash gifts.

HLSR also reserves the right to consult its own legal counsel or outside experts to review gifts that pose special risks, such as closely held securities, real estate with environmental or title issues, or gifts carrying donor restrictions.

Donor Acknowledgment, Reporting, and Privacy

Upon acceptance of a gift, HLSR will provide a written acknowledgment or receipt to the donor in a timely manner, suitable for tax purposes.

HLSR respects donor confidentiality. Donor information and gift details will be kept private and disclosed only when required by law, such as in response to IRS inquiries, audits, or court orders, unless the donor provides written consent.

For non-cash gifts, including real property or securities, HLSR will follow appropriate reporting, appraisal, and asset-handling procedures in accordance with IRS regulations.

Periodic Review of the Policy

This Gift Acceptance Policy should be reviewed by the HLSR Executive Committee annually and as needed, including during any capital campaign, to ensure it remains current with legal requirements, fundraising practices, and organizational capacity.

Questions

Please contact Taylor Garcia at LegacyGiving@rodeohouston.com or 832-667-1013.