

Gift Acceptance Policies

Purposes

- To support a program of development which encourages gifts that further the mission of the Foundation
- To clarify the terms of the gifts which the Board authorizes the staff to accept on behalf of the Foundation
- To educate the Board on potential problems which may make a particular gift unacceptable.

General Statement of Policy

The Foundation has the responsibility to insure that any gifts it receives support its mission in the community. Accordingly, the Foundation reserves the right to refuse any gift that it believes is not in the best interests of the Foundation and the community it serves. The Foundation will make every effort to resolve any issues presented in connection with a gift in a manner which fulfills the desires of the donor and is acceptable to the Foundation.

The Foundation maintains a program of investments for all funds. It is the Foundation's policy to sell any property it receives other than cash and to reinvest the proceeds pursuant to its investment program. If assets offered the Foundation are illiquid and cannot readily be sold, acceptance of the gift may depend on whether, in the judgment of the Board, a buyer is likely to be found within a reasonable period of time.

If the donor requests that the Foundation retain specific assets, the Board must decide whether acceptance and retention of the specific assets serves the mission of the Foundation.

Delegation of Authority to Accept Gifts

The Board has authorized the Executive Director to accept cash or marketable securities in any amount, and tangible personal property valued at \$500 or less, without further consideration of the Board. Gifts of real property, tangible personal property valued at more than \$500, closely-held securities, and any other property may be conditionally accepted by the Executive Director, but the final acceptance remains subject to approval by the Board.

Policies for Special Purpose Funds

Permanent Designated Funds: The Foundation encourages the establishment of Permanent Designated Funds, sometimes called endowed funds in which annual distributions are limited in order to preserve the purchasing power of the principal of the fund. To insure that distributions from a Permanent Designated Fund are of a sufficient size to have a significant impact on the community, the Foundation will accumulate income until the fund reaches a market value of \$10,000.

The Foundation prefers that a Permanent Designated Fund not require an annual distribution of a specific amount. However, if the distribution is required after the principal has reached the \$10,000 minimum, the Foundation reserves the right to transfer the fund to the unrestricted endowment fund if the Fund's market value thereafter falls below

\$10,000. The Foundation is very respectful of its donors and will make every attempt to work with/advise donors if action is needed on their parts to bring their funds into good standing with the Foundation.

There are no monetary limits or minimums on gifts contributed to the Foundation's Unrestricted Fund or to any previously established Permanent Designated Fund.

Pass-Through Funds (i.e. Directed Funds): A Pass-Through Fund is one in which all the gifts made to the fund are to be distributed for designated charitable purposes.

The Foundation will administer a Pass-Through Fund where the role of the Foundation is clearly needed to fulfill the charitable purpose of the donor. The fund must be consistent with the mission of the Foundation and within its administrative capabilities.

Pass-Through Accounts are intended to be short-term in nature (defined and subject to annual review by the Foundation). The goal of establishing such funds is to provide a pathway for those wishing to establish a more permanent fund in time or for those projects or activities that, by nature, will only be short in duration (a year or less). Fees for Pass-Through accounts differ from all other funds of the Foundation since they are defined in terms of services/support required from the Foundation to enable the fund's success.

Gift Acceptance Policies

The Community Foundation prefers gifts of cash, checks, marketable securities, retirement funds, and life insurance policies. Gifts of other assets will be in accordance with the guidelines below.

Checks

The Foundation accepts checks (personal and bank checks as well as those from other fiduciary organizations) and money orders.

Marketable Securities

When securities are in a nominee's name, they may be transferred to the Foundation's account. The Foundation will issue a tax-receipt letter based on the market value of the securities on the date of transfer. When a stock certificate is donated, the Foundation will issue a tax-receipt letter based on the market value of the securities on the date the properly endorsed certificate is mailed, or if not mailed, on the date of receipt by the Foundation.

Stock

Gifts of stock in privately held companies may be conditionally accepted by the Executive Director, but this acceptance remains subject to approval by the Board of Directors. When appropriate, the Foundation may request a valuation statement from the donor. If they are immediately marketable, they are sold. If not, the Foundation will take whatever steps are necessary to find a buyer as soon as possible. Retention of such stocks requires explicit authorization by the Board of the Foundation.

Tangible Personal Property

The donor must agree that the property can be sold unless the Foundation agrees to use the property for a purpose related to its exempt purpose. The Board of Directors may request a certified valuation.

Partnership Interests

Limited partnerships interests can be accepted, but the partnership agreement will be reviewed to gain an understanding of the activities of the partnership and how allocations are made to the partners. The underlying assets and liabilities of the partnership will be reviewed to help determine the marketability of the partnership interest. Consideration will be given to whether income generated by the partnership is considered unrelated business income subject to income tax.

General partnership interests may not be acceptable due to the potential unlimited liability.

Life Insurance

The Community Foundation accepts fully paid-up life insurance policies for which the donor has relinquished ownership by assigning all rights, title, and interest to the Foundation. If the insurance policy is not fully paid up, the usefulness of the gift is judged on a case-by-case basis. If the policy is accepted, the Foundation may choose either to cash it in for the current surrender value or continue to pay the premiums.

Retirement Funds

Retirement plans owned by the donor may be gifted to the Foundation at death. Such plans include Individual Retirement Accounts [IRA, 401(k), 403(b)], and defined contribution plans. Methods for giving retirement assets include:

- a. naming the Foundation as primary, successor, or contingent beneficiary for all or part of the assets upon the death of either the retirement asset owner or spouse;
- b. creating a testamentary charitable remainder trust with the assets upon the death of the asset owner, naming the Foundation as remainder beneficiary and non-charitable heirs as income beneficiaries.

Real Estate

Such gifts will be reviewed by staff, legal counsel, and the Board of Directors of the Foundation. Concerns include legality, mortgages, easements, restrictions, and environmental problems. The donor must provide for obligations such as taxes and insurance. In considering the acceptance of real estate donations, the Foundation may ask that the following items be provided:

- Exact legal name of donor and federal I.D. number
- Description of property
- Description of any buildings or other structures located on the land
- Boundary survey of property with location of all structures, easements, and encumbrances appearing on the face of the survey
- Information regarding existing zoning status
- Information on all ingress/egress for the property
- Description of prior use of the property

- Description of use of surrounding property, with specific disclosure of any storage tanks or potential environmental factors affecting the property
- Disclosure of any contemplated or anticipated condemnations, rights-of-way, or other actions by municipalities that might affect the subject property
- Phase I environmental report on the property, including environmental report on any structures located on the real estate
- Specimen of title insurance commitment or schedule describing any liens, encumbrances, or title matters affecting the property
- Copy of an appraisal showing the fair market of the property current within 180 days
- Discussion with proposed donor regarding any special arrangements for donor's fund or other sources to address ongoing expenses for taxes, insurance, assessments, maintenance, grass cutting, security, utilities, etc.
- Specimen of proposed Seller's Affidavit disclosing any and all tenants, leases, security instruments, graves, or cemetery parcels, etc.
- Draft of proposed Warranty Deed conveying title from proposed donor to Community Foundation.

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