

# GIFT ACCEPTANCE POLICY



## PURPOSE

This Policy (the “Policy”) has been adopted by the board of trustees (the “Board”) of Akron Community Foundation (the “ACF”) to provide guidelines for acceptance of gifts by the ACF and its affiliated entities (“Affiliates,” and together with ACF, collectively the “Foundation”). To facilitate this purpose, the Foundation will follow this Policy and will be guided, to the extent applicable, by the Model Standards of Practice for the Charitable Gift Planner adopted by the National Committee on Planned Giving and the American Council on Gift Annuities.

## ACCEPTANCE OF GIFTS

The Foundation will accept a gift to ACF or Affiliates only if that gift complies with the following guidelines:

- The purposes of a gift must fall within the charitable purpose of the Foundation.
- A gift must not place other assets of the Foundation unreasonably at risk.
- A gift must be easily converted into assets that fall within the Foundation’s investment guidelines, unless otherwise approved by the Board.
- The Foundation must determine that it is able to administer the terms of the gift in accordance with the donor’s wishes.
- Action by the Gift Committee, the Executive Committee or the Board, as applicable, for the acceptance of a gift by the Foundation, if required by this Policy.

## INFORMATION PROVIDED TO DONORS

Each donor will be advised by the Foundation of the following prior to making a gift to ACF or an Affiliate:

- The gift is irrevocable.
- The limitations on any restrictions that donors may place on gifts.
- Any variability on gifts, such as market value, investment return, and income yield.
- Any responsibility of the Foundation to provide periodic financial statements or reports to a donor.

The staff of the Foundation shall be primarily responsible for providing information and guidance to prospective donors in fulfilling such donor’s philanthropic goals. The Foundation, however, will not provide legal or financial advice or counsel to donors. Each prospective donor will be encouraged to consult with such donor’s legal and financial advisors in making such donor’s gift decisions.

## GIFT ACCEPTANCE COMMITTEE

The Board has designated its Chairman and the President, the Vice President of Development, and the Vice President of Finance as the Gift Acceptance Committee of the Foundation (the “Gift Committee”).

Any gift that deviates from this Policy or that the Gift Committee determines will place the other assets of the Foundation unreasonably at risk shall be referred to the Executive Committee of the Board (the “Executive Committee”) for a determination of whether the gift will be accepted by the Foundation. The Executive Committee may, in its discretion, refer such determination to the Board for action on acceptance.

## GIFTS REQUIRING APPROVAL BY THE GIFT COMMITTEE

The following gifts must be approved in advance by the Gift Committee before acceptance by the Foundation:

- Tangible personal property that is not readily marketable.
- Real property or mineral rights.
- Shares of stock or ownership interests in closely-held or other corporations, limited liability companies, or similar entities that are not readily marketable.
- Ownership interests in a partnership.
- Interests in accounts receivable, promissory notes, mortgages, bonds, other evidence of indebtedness, or debt securities that are not readily marketable.
- Interest in intellectual property, patents or copyrights.
- Precious metals, gem stones, antiques, works of art or similar commodities or objects.
- Life insurance policies that require the future premium payments by the Foundation, are subject to loans, or have designated beneficiaries or assignments other than to the Foundation.
- Any other gift that fails to comply with this Policy.

The following gifts do not require advance approval by the Gift Committee before acceptance by the Foundation:

- Cash or cash equivalents.
- Readily marketable shares of stock, bonds, or other securities.
- Tangible personal property for use by the Foundation directly or for use by a recipient designated by the Foundation.
- Life insurance policies not requiring the future payment of premiums by the Foundation, not subject to loans, and having no designated beneficiaries or assignments other than to the Foundation.

## FOUNDATION FUNDS

The Foundation accepts gifts to the categories of funds ("Funds") set forth below maintained by the Foundation or established at the Foundation by one or more donors. Any new Fund established by a donor shall require the donor and the Foundation to enter a fund agreement ("Fund Agreement"). The minimum value of a gift required by the Foundation to establish a new Fund is \$5,000 and the Scholarship minimum amount is \$25,000. Once established, funds must maintain a \$5,000 or \$25,000 minimum balance.

### Endowed Discretionary Funds

**Community Fund:** Gifts to the Community Fund and all unrestricted and undesignated gifts to the Foundation are deposited into the Foundation's Community Fund. The Community Fund is used to award grants in the community in accordance with the Foundation's grant cycles and grant making policies. Grant applications are accepted by the Foundation and reviewed by the Distribution Committee of the Board (the "Distribution Committee"). All grant awards are approved by the Board.

### Endowed Restricted Funds

**Designated Funds:** A donor may direct that a gift be used for a specific charitable purpose such as support for the arts, education, children, etc., or name one or more specific agencies or organizations. The Distribution Committee of the Board presents their recommendations on grant funding to the full Board for approval. An agency, organization, or other donors may originate an endowment fund to provide long-term support of the charitable institution involved.

**Advised Funds:** A donor may establish an Advised Fund at the Foundation. Under an Advised Fund, the donor may suggest distributions in making grants from the Fund. The minimum grant distributed from an Advised Fund shall be \$250 or whatever level is set by the Board. Each grant made from an Advised Fund must otherwise meet the requirements of the Foundation for gifts from a Fund. A grant from an Advised Fund cannot be used to satisfy an irrevocable personal or corporate pledge or obligation of the donor, or to provide any direct benefit to the donor.

The following persons will have the right to make recommendations regarding distributions of income and/or principal from the Fund on the terms and subject to the conditions in this Agreement (the "Advisors"), in the order set forth below.

- (i) The Donor, while he or she is living and not incapacitated;
- (ii) Upon the donor's death, incapacity or resignation as an Advisor, the Donor's adult children, if any, while they are living and not incapacitated;
- (iii) At such time as the Donors' adult children are deceased, incapacitated or have resigned their positions as Advisors, the Donors' lineal descendants, if any, while they are living and not incapacitated.

Advisors will cease to serve on their resignation, incapacity or death. At such time as there are no Advisors then serving, income of the Fund would be available for distribution as undesignated income by Akron Community Foundation's Board of Directors.

Notwithstanding any other provision herein, the Committee shall not accept any gift of an interest in a business enterprise for a donor-advised fund that would subject the Foundation to tax under section 4943 of the Internal Revenue Code, as it relates to "excess business holdings." Any proposed gift that would result in the donor-advised fund holding:

- A 20% or greater interest in a business or in an entity, or
- Any interest in an entity in which any interest is owned by a donor or advisor to the donor-advised fund, by a family member of any such person, or by an entity in which any of the foregoing persons has an interest, shall be referred to Legal counsel for an opinion on the possible application of Code section 4943.

**Unrestricted Named Fund:** A donor may have a named fund with unrestricted purposes.

**Supporting Organization Funds:** Supporting organizations may be established for donations in excess of \$10 million. The structure of a supporting organization must be in accordance with the policies of the Foundation and approved by the Foundation Board.

**Scholarship Funds:** The Foundation accepts general, field of interest and designated scholarship funds. Scholarship funds must comply with the requirements of H.R.4 Pension Protection Act of 2006. The Board of the Foundation appoints the members of the selection committee and the donor's advice is given solely as a member of the committee. The donor, and parties related to the donor, do not control the committee directly or indirectly. All scholarship grants are awarded on an objective and nondiscriminatory basis using a procedure that has been approved in advance by the Foundation Board.

**Special Purpose Funds (Endowed or Unendowed):** A donor may direct that a gift be used for a specific charitable purpose such as support for the arts, education, children, etc. The Distribution Committee of the Board presents their recommendations on grant funding to the full Board for approval.

### **One-Time Designated Funds**

The Foundation will not establish a non-endowed designated fund funded with a one-time gift from a donor unless the Gift Committee determines that such a Fund will further the mission of the Foundation.

**Advised Funds:** Donors, agencies or organizations may establish special purpose funds; for example, disaster funds or immediate community needs funds. Fund balances may be spent down to the minimum to meet the purpose of the fund.

**Capital Campaign Funds:** The Foundation may accept and administer a non-endowed capital campaign fund ("Campaign Fund") if a component of the campaign includes an endowed fund that will remain with the Foundation following the campaign. The cost of administering the non-endowed portion of a Campaign Fund will be determined in the Fund Agreement upon the establishment of the Campaign Fund.

### **Geographical Component or Affiliated Funds**

While it is not the mission of the Foundation to seek "geographical component" or "affiliated" funds, the Board may, in its discretion, permit the establishment of such Funds if it determines that such a Fund will further the mission of the Foundation.

## **ACKNOWLEDGMENT**

Each donor shall receive an acknowledgment of his or her gift to the Foundation in accordance with law.

## PUBLICITY

The Foundation shall not publicize any gift to the Foundation if the donor has requested anonymity.

## NO RESTRICTIONS OR CONDITIONS

The Foundation shall not accept any gift that, in its opinion, contains restrictions or conditions that would jeopardize the Foundation's tax-exempt status as a public foundation.

## ACTING AS FIDUCIARY

The Foundation shall not serve as trustee or fiduciary of any trust or estate, unless approved by the Board, in its sole discretion. No employee of the Foundation shall serve as a trustee, executor, guardian, or legal or personal representative of any donor or prospective donor to the Foundation, unless such donor or prospective donor is related to the employee or unless approved in advance by the Gift Committee.

## INVESTMENT OF GIFTS

All gifts to the Foundation shall be invested solely in accordance with the Foundation's Investment Policy, unless otherwise directed by the Board.

## COSTS OF ACCEPTING AND ADMINISTERING GIFTS

Any costs associated with the acceptance of a gift by the Foundation shall be borne by the donor, unless otherwise provided in a Fund Agreement or agreed to by the Gift Committee.

All costs of administering Funds by the Foundation will be paid from each Fund in accordance with that Fund's Fund Agreement or otherwise as provided by the Foundation's fee schedule established from time to time by the Board.

## PUBLIC FUNDRAISING

The Foundation may be approached in supporting initiatives that coalesce donors' actions in meeting community needs. These initiatives must further the Foundation's mission, and be approved by the Board.

## SPECIAL GIFT CONSIDERATIONS AND PROCEDURES

### **Personal Property**

Any gift of other than cash or marketable securities accepted by the Foundation that exceeds \$5,000 in value must be accompanied by a current independent appraisal in form, by an appraiser acceptable to the Foundation, and be in compliance with applicable IRS code and regulations. Unless otherwise agreed to by the Gift Committee, such appraisal shall be made at the expense of the donor.

### **Stock or Other Ownership Interests**

Any gift of shares of stock or ownership interests in closely-held or other corporations, limited liability companies, or similar entities accepted by the Foundation that are not readily marketable must be accompanied by a current independent valuation or appraisal in form and by a certified public accounting firm, business valuation expert or appraiser acceptable to the Foundation and be in compliance with applicable IRS code and regulations. Unless otherwise agreed to by the Gift Committee, such valuation or appraisal shall be made at the expense of the donor.

### **Partnership Interests**

Any gift of a general partnership interest may only be accepted by the Foundation upon approval of the Board subject to such restrictions or conditions as the Board may impose. Any gift of a limited partnership interest may only be accepted by the Foundation upon approval of the Gift Committee subject to such restrictions or conditions as the Gift Committee may impose.

## Marketable Securities

Any gift of marketable securities will be liquidated by the Foundation at such time as the Foundation determines appropriate. The net proceeds from the liquidation of marketable securities will be added to the Fund designated by the donor.

## Pooled Income and Gift Annuities

Gifts under the ACF pooled income fund and gift annuity program are covered by a separate policy of the Foundation.

## Life Insurance Policies

The Foundation may accept a gift of a life insurance policy if the Foundation is named as owner of or is assigned ownership in such policy. Any policy requiring the payment of premiums on an ongoing basis will be maintained by the Foundation (a) if gifts are made to the Foundation prior to each due date in the amount of the premiums due or (b) dividends paid on the policy will support the payment of premiums when due. Should the Foundation not receive gifts to pay the policy premiums when due, or should the policy dividends not support the payment of premiums, the Foundation shall surrender the policy for its cash surrender value unless the Gift Committee shall provide for an alternate means of maintaining the policy. Any expenditure of funds by the Foundation other than use of policy dividends or its cash surrender value shall require the approval of the Board.

## Real Property

Prior to acceptance of any gift of real property or an interest in real property (the "Real Property"), the Foundation may require the following:

- A commitment for an ALTA form owner's policy of title insurance and, if the gift is accepted, an ALTA form owner's policy of title insurance issued to the name of ACF or the Affiliate taking title to the Real Property in the amount of the appraised value of such Real Property and deleting all "standard exceptions" to the policy.
- A current independent appraisal of the Real Property in form and by an appraiser acceptable to the Foundation.
- An ALTA survey of the Real Property or such other form of survey as the Foundation may specify.
- An environmental assessment of the Real Property (in one or more phases if required by the Foundation) in form and by an environmental assessment firm acceptable to the Foundation.
- Copies of any leases, management contracts, service contract or other agreements relating to the Real Property and written disclosure of any tenancies relating to the Real Property.
- Such other inspections of the Real Property or information relating to the Real Property as the Gift Committee deems appropriate.

The cost of each of the foregoing items shall be paid by the donor, unless otherwise agreed to by the Gift Committee. All mortgages or other liens on the Real Property shall be satisfied at or prior to the transfer and conveyance of title to the Real Property to ACF or the Affiliate taking title to the Real Property at the cost and expense of the donor, unless otherwise agreed to by the Board. The cost of preparing and recording a deed to the Real Property shall be borne by the donor, unless otherwise agreed to by the Gift Committee.

The Foundation shall list any Real Property accepted as a gift for sale, unless the Board determines otherwise. The net proceeds from the sale of any gift of Real Property will be added to the Fund designated by the donor.

## REPORTING TO INTERNAL REVENUE SERVICE

The Foundation will file or cause to be filed all information and reporting returns for any gift to the Foundation required to be filed under the Internal Revenue Code and the regulations promulgated thereunder.

## QUESTIONS?

Contact Laura Lederer, vice president and chief development officer, at [llederer@akroncf.org](mailto:llederer@akroncf.org) or 330-436-5611.