

## COMMUNITY FOUNDATION OF ST. CLAIR COUNTY GIFT ACCEPTANCE POLICY

The following assets are accepted:

### **Cash**

Cash in the form of a check may be used to establish a named fund. Categories include Unrestricted, Donor Advised, Field of Interest, Agency Endowment, Donor Designated, or Scholarship Funds. A minimum of \$25,000 is required to establish a named Fund. A named Fund may be established by an initial contribution of \$5,000 or more and a commitment to make additional contributions totaling \$25,000 in four (4) years. Absent the Fund receiving the additional Donor contributions, the Fund will be deposited in the Board Designated Endowment Fund.

Cash contributions can be made at anytime to new or existing endowment funds.

### **Real Estate**

The Board must approve all real estate before being accepted by the Foundation.

Gifts of unencumbered real estate include a house or personal residence, farm, vacation home, commercial buildings, and income-producing or non-income-producing land.

Gifts of encumbered real estate will normally not be accepted.

Gifts of real estate require certain procedural steps, including the following:

- Written communication from donor(s) or agent as to the intent to make the gift
- A site visit to the property
- A Phase I Environmental Assessment  
The Foundation will evaluate the Phase I report(s) and determine if further investigation is needed.
- A Qualified Appraisal  
It is not unusual or inappropriate for a charitable organization to incur expenses in connection with contributions of real estate and other kinds of property. IRS usually requires an independent appraisal in order to be eligible for a charitable deduction. If organization pays for appraisal or other donor costs, the transaction is likely to be treated as a “bargain sale” instead of a gift. Part of the charitable deduction will be disallowed. The Foundation can, however, pay for appraisals for its own use as a “second opinion” or for use in disposing of the property.
- A copy of the latest tax assessment
- Determination as to whether the property has a mortgage
- Title search

The Foundation will not be legally obligated as to the disposition of the property following the gift.

Gifts of real estate may be contributed as outright gifts, as a retained life estate, or as a contribution to a charitable remainder trust, or may be gifted to the Foundation through a donor's will and estate plan.

A gift of real estate having a minimum value of \$25,000 is required to establish a named fund.

### **Life Insurance**

Gifts of Life Insurance policies may be used to establish any type of a named endowment fund.

Life insurance policies may be used as follows:

- Existing policies-
  - Irrevocably assigning the policy, making the Community Foundation the Owner and Beneficiary.
  - Name the Community Foundation as primary beneficiary or the contingent or successor beneficiary to receive the proceeds if the primary beneficiary predeceases the donor.
- New Policies –
  - Donor(s) purchase a new policy and name the Community Foundation as the owner and beneficiary.

Prior to accepting a policy requiring ongoing premium payments, the Foundation shall obtain a written agreement with the donor regarding how such premiums will be paid. The Foundation will not assume delinquent premium payments.

When the Foundation is named the owner and beneficiary of a policy, it will retain the original policy in its office.

Ultimate Use: At the death of the donor, insurance proceeds, if \$25,000 or greater, will be used to establish a permanent named fund. If the donor does not provide recommendations during his/her lifetime as to the eventual purpose of the Fund, or if the face value of the policy is less than \$25,000, it will be used for unrestricted purposes of the Foundation and deposited in the Board Designated Fund.

### **Publicly Traded Securities**

Gifts of publicly traded securities listed on the New York, America or NASDAQ exchanges may be used to establish any type of a named endowment fund. The gift must have a minimum fair market value of \$25,000. Additional securities or cash gifts can be added to a Fund at any time.

Gifts of securities will be accepted at fair market value. Fair market value is defined as the trade value of the shares at market close on the date of the gift.

The Community Foundation reserves the right to hold or sell the stock and deposit the proceeds in the Donor(s) established Fund.

### **Closely Held Securities or Interest in Closely held Business**

The Board must approve all closely held securities or interest in closely held businesses before being accepted by the Foundation.

Gifts of closely held securities may be used to establish any type of a named endowment fund. The gift must have a minimum value of \$25,000. Additional closely held securities or cash gifts may be added to the Fund at anytime.

Gifts of interest in closely held businesses must include the following:

- Copies of the organizational documents for the business.
- Copies of any agreements involving shareholders, members or other owners of the business with regard to voting or sale of the securities.
- Copies of recent financial statements and additional information about the business and management of the company.
- Information about whether the securities are registered with the SEC or State of Michigan and whether they are subject to any regulatory restrictions.
- A copy of a qualified independent appraisal providing opinions with respect to the value of the business and the value of the securities being donated.

The Community Foundation reserves the right to sell or hold the security(ies) and place the proceeds in the Donor(s) established Endowment Fund.

### **Other Gifts**

Any gifts not covered by this policy will be considered on a case by case basis

### **DISCLAIMER**

The Community Foundation is not engaged in rendering legal or tax advisory service for advice and assistance in specific cases. The services of an attorney, CPA or other professional advisor should be obtained.

*This Gift Acceptance Policy was adopted by the Board of Trustees on the 25<sup>th</sup> day of September, 2001.*

