



Gift Acceptance Policy

I. Purpose

The purpose of this gift acceptance policy is to advance the Community Foundation's mission of connecting donor interests to community needs and opportunities using community knowledge and leadership. By providing guidelines for negotiating and accepting various types of gifts for different types of funds, this policy is established to assure that each gift to the Community Foundation is structured to provide maximum benefits to the community, the donor, the Community Foundation, and the beneficiaries of the Community Foundation's charitable programs and activities.

II. Scope

This policy addresses both current and deferred gifts, with an emphasis on specific types of deferred gifts and gifts of non-cash property. The goal is to encourage financial support for the Community Foundation without encumbering it with gifts which either generates more cost than benefit, or which may be restricted in a manner that is not in keeping with the Community Foundation's charitable purposes or applicable laws governing charitable gifts. This policy also describes the types of funds that the Community Foundation maintains.

III. Ethical standards in dealing with donors

Every person acting for or on the Community Foundation's behalf shall adhere to those standards set forth in the attached *A Donor Bill of Rights*:

http://www.afpnet.org/files/ContentDocuments/Donor_Bill_of_Rights.pdf, and the attached *Model Standards of Practice for the Charitable Gift Planner*:
http://www.pppnet.org/ethics/model_standards.html.

The Community Foundation is committed to the highest ethical standards of philanthropy and development. In all transactions between potential donors and the Community Foundation, the Community Foundation will aspire to provide accurate information and full disclosure of the benefits and liabilities that could influence a donor's decision, including with respect to the Community Foundation's fees, the irrevocability of a gift, prohibitions on donor restrictions, items that are subject to variability (such as market value, investment return, and income yield), the Community Foundation's responsibility to provide periodic financial statements with regard to donor funds, and investment policies and other information needed by donors to make an informed choice about using the Community Foundation as a vehicle of charitable gifts. **In addition, all donors will be strongly encouraged to discuss their gifts with their own financial and tax advisors before signing any gift agreement.** The role of the

Community Foundation's staff is to inform, guide, and assist the donor in fulfilling his or her philanthropic goals, without pressure or undue influence.

The Community Foundation recognizes the paramount role of donors and their gifts to the Community Foundation in executing its charitable mission. In carrying out the Community Foundation's development program, staff will recognize and acknowledge donors in appropriate ways, both publicly and privately, subject to the Community Foundation's *Policy on Confidentiality*. Donors reserve the freedom to determine the degree and type of recognition that they prefer and the Community Foundation respects the confidentiality of donors who do not wish to be publicly recognized.

IV. Funds

All endowed funds are placed into an investment pool and a portion of each fund's earnings is used to make grants per the Community Foundation's spending policy and in accordance with the donor's intentions. The Community Foundation offers several different types of funds. These include:

Unrestricted

Unrestricted funds enable the Community Foundation to address the changing and most critical needs of the community. These funds provide maximum flexibility and allow us to make the greatest investment in our community.

Donor-advised

Donor-advised funds are convenient, flexible tools for donors who want to personally recommend grant awards to charitable organizations from a fund they have established at the Community Foundation. Donor-advised funds are subject to the Community Foundation's *Procedures for Donor-Advised Funds*.

Agency endowment

Agency endowment funds are established by specific nonprofits or educational/religious organizations with 501(c) (3) IRS designation to provide a permanent source of income for years to come.

Designated

Designated funds are established by donors to benefit specific charities or programs of a nonprofit organization.

Field-of-interest

These funds allow donors to support the issues and causes they care about most. The donor chooses the field for which the fund can be used and the Community Foundation makes grants to address needs within that field.

Scholarship

Scholarship funds help adult and high school students in the community achieve their educational goals.

V. Variance power

Sometimes a fund just doesn't work anymore. Scientists discover a cure for polio. A charitable organization goes out of existence. The Community Foundation has the ability to address these situations through its variance power. This power gives the Community Foundation's board the ability to make changes to a fund when its purpose is no longer necessary, can no longer be fulfilled, or has become inconsistent with the charitable needs of the community. This power to update funds helps protect donors by avoiding the need for complex and costly legal proceedings.

VI. Authority to accept gifts

Acceptance by officers and designated employees

The Community Foundation's president and CEO, and vice presidents or any other Community Foundation staff designated by the president and CEO may accept for and on the Community Foundation's behalf, any of the following:

- Cash
- Checks
- Marketable securities
- Paid up life insurance policies

Acceptance by Executive Committee or Investment Committee

All other gifts, including those listed below, will require review and, if appropriate, approval by the Community Foundation's Executive or Investment committees. The following gifts require the committee's review and approval:

- Gifts of intellectual property, mineral reserves, precious metals
- Artwork, coin collections, jewelry, etc.
- Closely-held and S corporation stock
- Partnership interests
- Limited liability company interests
- Accounts receivable (e.g., gifts of loans, notes, mortgages)
- Real property (including residential, commercial, industrial, agricultural, timberland, improved, and unimproved)

Emergency gifts

Notwithstanding the Executive or Investment committees' authority above, gifts requiring immediate action (such as gifts in late December) may be exempted from

full Committee review if, in the president and CEO's judgment in consultation with the chair or vice-chair of the Community Foundation, that gift may be accepted without in any way jeopardizing the Community Foundation's exempt status.

Timing of review

Gifts requiring Executive or Investment committees' review will be handled promptly. The Community Foundation staff will immediately notify donors if a gift is not accepted.

VII. Authority to negotiate and sign gift agreements

Subject to those instances of Executive or Investment committees' review and approval authority, the Community Foundation's president and CEO, vice-presidents of finance, philanthropic services, and community investment, or any other Community Foundation staff designated by the president and CEO is authorized to handle inquiries, negotiate with donors, assemble documentation, and retain expert and technical consultants. The Community Foundation's president and CEO is authorized to execute gift agreements on the Community Foundation's behalf.

VIII. Purpose of gifts

The purpose of each gift to the Community Foundation must fall within the Community Foundation's broad charitable purposes. The Community Foundation cannot accept any gift that will be directly or indirectly subject to any material restriction or condition by the donor that prevents the Community Foundation from freely and effectively employing the gift assets or the income from such assets to further its charitable purposes. In addition, the Community Foundation reserves the right to reject any gift that might place the other assets of the Community Foundation at risk or that is not readily convertible into assets that fall within the Community Foundation's investment guidelines. The Community Foundation may also decline a gift if it is not able to administer the terms of the gift in accordance with the donor's wishes.

IX. Minimum gifts

Subject to the policies set forth in this document, the Community Foundation may accept gifts of any size to an existing fund. The minimum gift for a new named fund is \$10,000. Funds may be built up to the required minimum if a total of \$10,000 is contributed to the fund within a five (5) year period. Distributions from a fund are not made until at least one year after \$10,000 has been contributed to the fund unless a donor makes additional contributions to be made available for immediate distribution. If a fund has not reached its required minimum within a five-year period, the Community Foundation may treat the fund as an unrestricted fund or a field of interest fund aligning as close as practical with the donor's original intent.

The minimum gift for a charitable gift annuity issued by the Community Foundation is \$10,000. The minimum gift for a charitable gift annuity issued by the Community Foundation that would result in a new named fund is \$20,000.

Exceptions are subject to the approval of the Community Foundation's president and CEO.

X. Investment of gifts

The Community Foundation reserves the right to make any or all investment decisions regarding gifts to it in accordance with its *Investment Policy*, as amended from time to time. In making a gift to the Community Foundation, the donor gives up all rights, title, and interest to the assets contributed. In particular, the donor relinquishes the right to choose investments and investment managers, brokers, or to veto investment choices for the contributed assets. The Community Foundation may invest gifts in cash or short-term investment vehicles if the assets will be distributed shortly after receipt.

XI. Costs of accepting and administering gifts

Generally, costs associated with the acceptance of a gift, such as the donor's attorneys' fees, accounting fees, and appraisal and escrow fees, are borne by the donor. The direct costs of administering gifts are generally paid out of the assets of the individual funds. Custodial, investment, and administrative fees are paid from the respective funds in accordance with the Community Foundation's guidelines and fee schedules. The Community Foundation reserves the right to assess a set-up fee. Any costs borne by the Community Foundation are subject to approval by the Community Foundation president and CEO.

XII. Fundraising by donors

Because the Community Foundation is legal owner of its funds, fundraising undertaken by donors in connection with funds of the Community Foundation must be approved in advance by the Community Foundation pursuant to the Community Foundation's *Policy on Fundraising by Donors*.

XIII. Excess business holdings

The Pension Protection Act of 2006 amended section 4943 of the Internal Revenue Code to limit ownership of closely-held business interests in a donor-advised fund. A fund's holdings, together with the holdings of disqualified persons (donor, advisor, members of their families, and businesses they control) may not exceed any of the following:

- 20% of the voting stock of an incorporated business
- 20% of the profits interest of a partnership, joint venture, or the beneficial interest in a trust or similar entity

- Any interest in a sole proprietorship

These limitations do not apply if the donor-advised fund holds an interest that does not exceed two percent of the voting stock and two percent of the value of the business.

Donor-advised funds receiving gifts of interests in a business enterprise have five years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. To prevent a violation of these rules, it is the Community Foundation's policy to divest itself of such holdings within five years from the date the Community Foundation acquired the asset. If that is not possible, the asset will be transferred to a new or existing fund that is not an advised fund.

XIV. Illiquid assets

The Community Foundation's general policy is to liquidate all gifts promptly. On occasion, the Executive or Investment committees may decide that they will not liquidate certain gifts immediately. Factors the committee will consider include:

- Market conditions – a gift may be retained for a reasonable period of time if the likely sales price would be substantially less than the asset's real value. Similarly, a large block of stock might be sold over a period of time in order not to artificially depress the price.
- Use by the Community Foundation – the Community Foundation may elect to keep gifts that it will employ directly in furtherance of its exempt purposes. For example, the Community Foundation might keep real property that it will use as its offices.
- Desirability as an investment – on rare occasions, the Community Foundation may be given property that it wishes to retain as an investment. Considerations in this decision include the projected return and how the asset fits into the Community Foundation's investment portfolio.

If a fund's illiquid assets do not generate a sufficient return to permit grantmaking that is consistent with the assets' value, the Community Foundation will seek an additional gift of cash or marketable securities to allow the fund to begin making distributions.

XV. Deferred gifts and planned giving

These are gifts whose benefit does not fully accrue to the Community Foundation until some future time, or whose benefits are split with non-charitable beneficiaries. Community Foundation representatives are authorized to solicit direct charitable gifts through wills, as well as contributions to establish gift annuities or charitable trusts. The Community Foundation will work closely with donors and confer with financial advisors,

at the request of the donors, to realize these gifts. In cases where the gifts are complex, the president and CEO may request review by the Executive or Investment committees.

Bequests

The Community Foundation accepts bequests from donors who have directed in their wills that certain assets be transferred to the Community Foundation and honors the wishes of the donor as expressed, but reserves the right of refusal as necessary and appropriate. Sample bequest language for restricted and unrestricted gifts is available from the Community Foundation to donors and/or advisors upon request. The Community Foundation wishes not to be named as Personal Representative for a donor in his/her will and may elect not to serve if named unless there are no other beneficiaries. The Community Foundation may create a named fund in memory of the donor, if there is no stipulation for anonymity.

Retirement plans or IRA accounts

Donors may make lifetime gifts of retirement assets or name the Community Foundation as the beneficiary of their plan. Retirement plans include, but are not limited to, Individual Retirement Accounts (IRA), 401(k), 403(b), and defined contribution plans.

Life income gifts

The Community Foundation will work closely with donors to implement planned giving options that provide income to a donor or his/her designees, as well as financial benefit to the Community Foundation (split-interest gifts). Options include:

- **Charitable Remainder Trust (CRT):** This trust makes payments to one or more beneficiaries for their lifetimes, or for a fixed term, or a combination of both. Assets are put into a trust, beneficiaries are paid, and when the trust term ends, the remainder in the trust passes to the Community Foundation for its charitable purposes. The donor names a Trustee to manage the trust and determines whether the payout will be fixed (a charitable remainder annuity trust (CRAT)) or variable (a charitable remainder unitrust (CRUT)). Trusts can be set up during the donor's lifetime or by will. The Community Foundation encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust. At the donor's request, the Community Foundation will confer with his/her advisors to assist in establishing the trust from which it will ultimately benefit. The Community Foundation will not serve as Trustee of the trust.
- **Charitable Lead Trust (CLT):** This trust first makes distributions to the Community Foundation for a specified period, with the remainder reverting to the donor or another beneficiary at the end of the period. It may be set up

during one's lifetime or in a will. The Community Foundation will work closely with the donor and/or his advisor to create the trust, but will not serve as trustee.

- **Charitable Gift Annuity (CGA):** This planned gift is based on a gift of cash or securities in exchange for lifetime income, either immediate or deferred, to the donor. It is a contract between the donor and the Community Foundation and is backed by the Community Foundation's assets. The gift is in part a charitable gift and in part the purchase of an annuity.
- **Life estate:** A donor may wish to contribute a personal residence or farm to the Community Foundation and retain the right to use the property until death. Upon the donor's death, the Community Foundation owns the entire interest in the property.

XVI. Types of gift assets

Cash

The Community Foundation accepts gifts of cash:

- In currency of the United States or readily convertible foreign currency
- By checks made payable to the Community Foundation or the component fund
- By credit cards or wire transfer to the Community Foundation's account(s)

Publicly-traded securities

General: The Community Foundation accepts gifts of marketable, publicly-traded stocks and bonds. As a general rule, publicly-traded stocks and bonds contributed to the Community Foundation will be redeemed or sold as soon as practicable. All proceeds from such redemption or sale less commissions and expenses are then credited to the component fund to which the stocks or bonds were originally contributed. The Community Foundation may accept gifts of publicly-traded stocks and bonds in any amount to any existing fund. However, gifts to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement.

Appraisal: No appraisal is required so long as the stock or bond is not subject to any restrictions, including those imposed by contract or the Securities Exchange Commission. Where appraisal is not required, the value of the gift is determined by calculating the mean of the high and low prices of the securities on the date of the gift unless changed by law or regulation.

Real estate

General: This policy applies to all gifts of real property, including outright gifts of residential and commercial property and farmland, bargain-sale transactions, and gifts of remainder interests in which the donor retains a life estate. The Community Foundation does not accept gifts of time shares.

Gifts of real property must be reviewed by the Executive or Investment committees. Subject to the Committee's approval, the Community Foundation may accept gifts of real property to any fund. Gifts to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement. In deciding whether to accept real property gifts, the Community Foundation will:

- Determine whether the real estate gift is an acceptable minimum value.
- Confirm that the donor has legal capacity and is entitled to convey the property through copies of deed, title report, etc., provided by donor.
- Determine whether, if property is encumbered by debt, the debt is of a level that will not unduly burden the Community Foundation or adversely affect the marketability of the property.
- Perform a market and financial analysis prior to acceptance of the gift to determine whether the gift is a financially sound acquisition.
- Weigh its ability to manage commercial property for the time necessary to sell the property. For example, income producing property may subject the Community Foundation to unrelated business income tax and/or other types of expenses, including but not limited to, upkeep of land, maintenance of buildings and management of property.
- Evaluate whether any restrictions on the gift desired by donor will jeopardize the classification of such gift as charitable.

Appraisal: Each gift of real property giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal. A donor cannot take a charitable deduction for fees that the donor paid for appraisals of the donated property. Still, these fees may qualify as a miscellaneous deduction, subject to the two percent limit if they are paid to determine the amount allowable as a charitable contribution. The Community Foundation should not pay for the appraisal unless it can show the cost of the appraisal as consideration received for the gift. If the gift is to a donor-advised fund or a supporting organization, the Community Foundation may not pay the appraisal fee.

Distributions: Distributions from a component fund that consists entirely of real property are limited to the net income generated by the property less fees assessed by the Community Foundation and any unrelated business tax imposed thereon.

Liquidation: The Community Foundation will generally seek to sell real property as soon as possible and generally will not accept gifts that cannot be liquidated within three years.

Procedures for accepting gifts of real property: Donors will provide the information and documents requested in the *Real Property Donation Checklist* and the *Real Property Inquiry Form* at the earliest possible time prior to the acceptance of the gift. Copies of those forms are appended to this policy. The Community Foundation may request additional information or documents when necessary to its evaluation of the proposed gift.

Whenever possible, a member of the Community Foundation staff or an authorized representative will visit the property to determine its nature and type and to identify any potential problems not evident from information supplied by the donor that might hinder or prevent the Community Foundation's sale of the property.

Environmental assessment: Donors will provide at least a Phase I Environmental Report with disclosure of any environmental problems or statement that none exists. The existence of environmental problems may require additional assessment, remediation, or non-acceptance of the gift.

Closely-held stock and S corporation stock.

General: Gifts of closely-held and S corporation stock must be reviewed by the Executive or Investment committees. Subject to the committees' approval, the Community Foundation may accept gifts of closely-held or S corporation stock in any amount to any existing fund. Gifts to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement. The Community Foundation may accept gifts of stock in a closely-held or S corporation that generate unrelated business income only if certain agreements are reached with the donor and/or the corporation. These include an agreement by the donor that the taxes on the unrelated business income and the Community Foundation's associated administrative expenses (e.g., accounting and tax return preparation) will be charged against the fund holding the contributed stock. Further, the donor should agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses to the extent there is insufficient cash in the subject fund balance to cover such taxes and expenses.

Appraisal: Each gift of closely-held or S corporation stock giving rise to a charitable deduction of more than \$10,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal. A donor cannot take a charitable deduction for fees that the donor paid for appraisals of the donated property.

Still, these fees may qualify as a miscellaneous deduction, subject to the two percent limit if they are paid to determine the amount allowable as a charitable contribution. The Community Foundation will not pay for the appraisal unless it can show the cost of the appraisal as consideration received for the gift. If the gift is to a donor-advised fund or a supporting organization, the Community Foundation may not pay the appraisal fee.

Distributions: Distributions from a component fund that consists entirely of closely-held or S corporation stock are limited to the income generated by the securities less fees assessed by the Community Foundation and any unrelated business tax imposed thereon.

Liquidation: The Community Foundation will generally seek to redeem or sell closely-held or S corporation stock contributed as soon as possible and generally will not accept gifts that cannot be liquidated within three years.

Procedures for accepting gifts of closely-held or S corporation stock: The following procedures apply to all proposed gifts of S corporation stock:

- The Community Foundation will review corporate governing documents to determine the rights and obligations associated with the stock and whether or not the Community Foundation should undertake such obligations in light of such rights.
- The Community Foundation will review the corporation's most recent tax returns and the donor's most recent K-1 to determine the nature of the income associated with the stock (e.g., unrelated business income, active versus passive business).
- All proposed transfer documents must conform to a format prescribed by the Community Foundation or be approved by the Community Foundation's counsel.
- As a condition for the Community Foundation's acceptance of the gift, a written agreement between the donor and the Community Foundation should be in place that provides for the payment of administrative expenses and unrelated business income taxes generated by the stock to the extent there is insufficient cash in the fund to which the stock has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Community Foundation against all liabilities incurred by the donor on account of the stock up to the date of the gift.
- The donor shall provide the Community Foundation with all documents which outline, discuss, or relate to the duties and liabilities which shareholders have, including shareholder agreements.

General partnership interests

The Community Foundation generally does not accept gifts of general partnership interests due to the unlimited liability of general partners.

Limited partnership interests

General: Gifts of limited partnership interests must be reviewed by the Executive or Investment committees. Subject to the committees' approval, the Community Foundation may accept gifts of limited partnership interests in any amount to any existing fund. Gifts to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement. The Community Foundation reserves the right to carefully screen all proposed gifts of limited partnership interests to ensure that they place no undue risk upon the Community Foundation.

The Community Foundation generally does not accept gifts of interests in partnerships that carry on active business. Interests in passive, investment-type limited partnerships such as those holding real estate, stocks, and bonds, are preferred.

The Community Foundation may accept gifts of limited partnership interests that generate unrelated business income only if certain agreements are reached with the donor. These include an agreement by the donor that the taxes on the unrelated business income and the Community Foundation's associated administrative expenses (e.g., accounting and tax return preparation) will be charged against the fund holding the partnership interest. Further, the donor would have to agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses to the extent there is insufficient cash in the subject fund balance to cover such taxes and expenses.

Appraisal: Each gift of limited partnership interest must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal. A donor cannot take a charitable deduction for fees that the donor paid for appraisals of the donated property. Still, these fees may qualify as a miscellaneous deduction, subject to the two percent limit if they are paid to determine the amount allowable as a charitable contribution. The Community Foundation will not pay for the appraisal unless it can show the cost of the appraisal as consideration received for the gift. If the gift is to a donor-advised fund or a supporting organization, the Community Foundation may not pay the appraisal fee.

Distributions: Distributions from a component fund that consists entirely of limited partnership interests are limited to the income distributed to the Community Foundation by the partnership less fees assessed by the Community Foundation and any unrelated business income taxes imposed thereon.

Liquidation: The Community Foundation will generally seek to redeem or sell limited partnership interests contributed to it within three years.

Procedures for accepting limited partnership interests: The following procedures apply to all proposed gifts of limited partnership interests:

- The Community Foundation will review the partnership governing documents to determine the rights and obligations associated with the limited partnership interest and whether or not the Community Foundation should undertake such obligations in light of such rights. If required, the donor should be asked to obtain the other partners' consent to the gift as a condition to the Community Foundation's accepting the gift.
- The Community Foundation will review the donor's most recent K-1 and the partnership's tax returns to determine the nature of the income associated with the limited partnership interest (e.g., unrelated business income, active versus passive business).
- All proposed transfer documents must conform to a format prescribed by the Community Foundation or be approved by the Community Foundation's counsel.
- As a condition for the Community Foundation's acceptance of the gift, a written agreement between the donor and the Community Foundation income should be in place that provides for the payment of administrative expenses and unrelated business taxes generated by the interest to the extent there is insufficient cash in the fund to which the interest has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Community Foundation against all liabilities incurred by the donor on account of the limited partnership interest up to the date of the gift.

Limited liability company interests

The same considerations given to gifts of limited partnership interests apply to gifts of interests in limited liability companies.

Tangible personal property

General: The Community Foundation accepts gifts of personal tangible property (e.g., artwork, coin collections, jewelry) only if: (i) the Community Foundation determines that the property will be used in furtherance of the Community Foundation's exempt purposes or (ii) the Community Foundation will be able to sell the property. If the property is to be sold, the Community Foundation will accept the gift only if it has sufficient value to justify the expenditure or resources required for such sale. The Community Foundation may accept gifts of personal tangible property in any amount to any existing fund. Gifts of tangible personal property to establish a new component fund

at the Community Foundation must meet the applicable minimum funding requirement.

Appraisal: Each gift of personal tangible property for which the donor expects a charitable deduction exceeding \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining and paying for such appraisal. A donor cannot take a charitable deduction for fees that the donor paid for appraisals of the donated property. Still, these fees may qualify as a miscellaneous deduction, subject to the two percent limit if they are paid to determine the amount allowable as a charitable contribution. The Community Foundation will not pay for the appraisal unless it can show the cost of the appraisal as consideration received for the gift. If the gift is to a donor-advised fund or a supporting organization, the Community Foundation may not pay the appraisal fee.

Procedures for accepting personal tangible property: The following procedures apply to all proposed gifts of personal tangible property:

- The Community Foundation will review all prior appraisals and authentication documents, if any, relating to the property.
- If the property is to be sold, the Community Foundation will ascertain the market for such property and estimate the costs to be incurred in connection with the sale as well as the costs of holding the property prior to sale.
- All costs incurred by the Community Foundation in connection with the holding and sale of the property shall be charged against the sale proceeds, with the balance being credited to the fund to which the property has been contributed.

Life insurance

General: The Community Foundation may accept gifts of life insurance policies so long as: (a) the policy is not encumbered (i.e., there is no outstanding loan against the policy); and (b) the Community Foundation is made the policy's owner and primary beneficiary. When premium payments can no longer be made because there is insufficient value in the policy to keep it in force, or because the Community Foundation chooses to discontinue premium payments, the policy will be surrendered. The Community Foundation may accept gifts of life insurance policy in any amount to any existing fund. Gifts of life insurance policy to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement.

Appraisal: Each gift of life insurance policy giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining and paying for such appraisal. A donor cannot take a charitable deduction for fees that the donor paid for appraisals of the donated property. Still, these fees may qualify as a miscellaneous deduction, subject to the two percent

limit if they are paid to determine the amount allowable as a charitable contribution. The Community Foundation will not pay for the appraisal unless it can show the cost of the appraisal as consideration received for the gift. If the gift is to a donor-advised fund or a supporting organization, the Community Foundation may not pay the appraisal fee.

Real Property Donation Checklist

1. Exact legal name of donor and federal identification number.
2. Description of property (copy of deed).
3. Description of any buildings or other structures located on the land.
4. Boundary survey of property with location of all structures, easements, and encumbrances appearing on the face of the survey.
5. Information regarding existing zoning status.
6. Information on all ingress/egress for the property.
7. Description of prior use of the property.
8. Description of use of surrounding property, with specific disclosure of any storage tanks or potential environmental factors affecting the property.
9. Disclosure of any contemplated or anticipated condemnations, right-of-ways, or other actions by municipalities that may affect the subject property.
10. Phase I environmental report on the property, including environmental report on any structures located on the real estate.
11. Evidence of title, such as title examination and report, title insurance commitment, or schedule describing any liens, encumbrances, or title matters affecting the property.
12. Copy of appraisal showing the fair market value of the property current within sixty days.
13. Disclosure of amount of existing real estate taxes, insurance premiums, and assessments attributable to the property.
14. 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, and similar items.

Real Property Inquiry Form

I. General information

Owner(s)	Phone
Address	
Property location	
Land area (acres or square feet)	
Building area (sq. ft. each floor)	
Zoning	
Replacement cost of building	
Current property insurance coverage	
Date of acquisition/form of acquisition	
Current cost basis (includes improvements)	
Principal balance of mortgage	Current fair market value
Assessed value for real estate taxes	
Real estate taxes	
Land value	Building value
Most recent appraisal (date)	Appraised value
Appraiser	
Occupancy status after transfer of title to charity	
Unimproved (no buildings)	
Unoccupied (building, but not occupant)	
Occupied (building with occupants)	

Please indicate by checking “yes” your awareness of any condition or problem which may affect the title or marketability of the property. Use Section VII to provide additional information.

II. Title/zoning	Yes	No
A. Title	_____	_____
B. Zoning variances, violations, or special permits	_____	_____
C. Zoning violations	_____	_____
D. Restrictions or easements	_____	_____
E. Survey available	_____	_____
 III. Condition of building	 Yes	 No
A. Foundations/slab	_____	_____
B. Basement water/dampness/sump pump	_____	_____
C. Roof leaks	_____	_____
D. General structural	_____	_____
E. UFFI (formaldehyde insulation)	_____	_____
F. Asbestos	_____	_____
G. Lead paints	_____	_____
H. Termites/ants/pests	_____	_____
I. Swimming pool	_____	_____
J. Radon	_____	_____
K. Building systems	_____	_____
1. Plumbing	_____	_____

2. Electrical	_____	_____
3. Heating	_____	_____
4. Air conditioning	_____	_____
5. Hot water	_____	_____
6. Water supply	_____	_____
7. Sewage; type	_____	_____
8. Other fixtures	_____	_____
IV. Rental/condominium/cooperative	_____	_____
A. Building systems	_____	_____
1. Leases	_____	_____
2. Rental arrears	_____	_____
3. Last month's rent/security deposit	_____	_____
B. Common area fees in arrears	_____	_____
C. Building or sanitary code violations	_____	_____
D. Operating/capital budget	_____	_____
V. Environmental	Yes	No
A. History of property		
1. Property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or any other non-residential purposes	_____	_____

B. Condition of property

- 1. Stressed or denuded vegetation or unusual barren areas _____
- 2. Discoloration, oil sheens, or foul/unusual odors in water _____
- 3. Storage drums _____
- 4. Above or underground storage tanks; vent or filler pipes _____
- 5. Evidence of oil or other chemicals in soil _____
- 6. Evidence of PCBs _____
- 7. Evidence of toxic air emissions _____

C. Adjacent properties

- 1. Properties adjacent or close to subject have conditions requiring "yes" answer to any questions in (A) and (B) above _____

D. Flood plain/wetlands/drainage _____

E. Endangered plants or wildlife _____

Are you aware of any other information concerning any part of the land or buildings which might affect the decision of a buyer or affect value of property or affect use by buyer? _____

VI. Property Expense Budget

To hold this property as a Community Foundation asset, the following income and expenses are anticipated:

- A. Income Annual
- 1. Rent _____

- 2. Other _____
- B. Expenses _____
- 1. Real estate taxes:
 - First payment due _____(date) _____
 - Second payment due _____(date) _____
- 2. Utilities:
 - Gas _____
 - Oil _____
 - Electric _____
 - Water/sewer _____
 - Other _____
- 3. Services:
 - Caretaker/property manager _____
 - Landscaping _____
 - Heating/cooling service contract _____
 - Snow removal _____
 - Pool services _____
 - Common area charge (condominium) _____
 - Security _____
 - Other _____
- 4. Maintenance/repairs _____

5. Insurance _____

Total expenses

Net income (loss)

VII. Additional information on sections II through VII

VIII. Acknowledgments

Owner(s) hereby acknowledge that the information set forth above is true and accurate to the best of my (our) knowledge

Owner Date _____

Owner Date _____

Adopted by Fremont Area Community Foundation Board of Trustees on 4/23/2015