



THE COMMUNITY
FOUNDATION
FOR NORTHEAST FLORIDA

GIFT ACCEPTANCE POLICIES AND GUIDELINES

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One goal of The Community Foundation for Northeast Florida, Inc. (the “Foundation”) is to help a wide variety of donors fulfill their philanthropic interests by providing an appropriate vehicle for giving that is easy, personally satisfying and effective. Simultaneously, the Foundation seeks to use the funds donated to it for the benefit and betterment of the communities and organizations it serves by providing leadership in identifying and addressing community needs.

The policy of the Foundation is to actively promote the programs and opportunities offered by the Foundation and to encourage donors to make gifts to the Foundation, while responding promptly and appropriately to the needs of donors and prospective donors. Gifts to the Foundation may involve many different types of assets and may take a variety of forms, including outright gifts on a one-time or periodic basis, planned gifts involving deferred gifts or split-interest gifts, and testamentary gifts created by bequest. These Gift Acceptance Policies and Guidelines (collectively, these “Policies”) have been adopted to provide the framework and procedures for evaluation and acceptance of such gifts by the Foundation’s staff and Board of Trustees (the “Board”).

Any capitalized words that are not defined herein shall have the meanings set forth in the attached Schedule of Definitions.

GENERAL POLICIES

1. Purpose of the Gift. The purpose of any gift accepted by the Foundation must relate to the Foundation’s mission and fall within its broad charitable purposes. The purpose of the gift and the procedures for its administration must be clearly stated in a written Fund Agreement. In most cases, additional gifts to existing funds may be made without restating the purpose of the original gift.
2. Fund Agreements. (a) All Fund Agreements will be prepared in consultation with the Senior Staff and, if required by these Policies or if the Senior Staff otherwise deems it necessary, the Foundation’s legal counsel. For administrative ease and convenience, the Senior Staff will develop standard Fund Agreements with the review and approval of the Foundation’s President and legal counsel. The standard Fund Agreements will be updated and revised from time to time as appropriate. The Foundation will make the standard Fund Agreements available upon request to prospective donors and their Professional Advisors and will encourage use of such Fund Agreements whenever practicable.

Standard fund types and minimums are as follows:

Donor Advised Funds - Donors who create donor advised funds may make (or may designate other persons to make) recommendations to the Foundation regarding the not-for-profit or religious organizations that are recipients of grants from the fund.

Minimum fund balance, endowed: \$50,000

Minimum fund balance, nonendowed: \$10,000

Designated and Agency Endowment Funds –

Donors who create designated endowments may specify the specific not-for-profit or religious organizations which are to receive grants annually from the fund.

Minimum fund balance: \$50,000

Discretionary Field of Interest Funds –

Donors who create field of interest funds may specify a broad category of interest for which grants may be made.

Minimum fund balance: \$50,000

Discretionary Unrestricted Endowment Funds -

Donors who create an unrestricted endowment provide for the Foundation to determine grant recipients based on its assessment of the ever-changing conditions and needs in the community.

Minimum fund balance: \$50,000

Scholarship and Award Endowment Funds -

Donors who create a scholarship endowment may provide students with financial assistance based on academic or other criteria they chose.

Minimum fund balance: \$50,000

(b) If a donor wishes to alter the terms of the Foundation’s standard Fund Agreement or wishes to use a gift instrument other than the Foundation’s standard Fund Agreement, all such changes and forms must be reviewed and approved by the Foundation’s legal counsel prior to acceptance of the gift.

(c) In situations where the Foundation has engaged a Professional Advisor to prepare documents for or render advice to the Foundation, Senior Staff should advise the donor that the professional involved is engaged only to represent the Foundation and is not acting on behalf of or representing the interests of the donor.

(d) The President of the Foundation or any other Senior Staff designated by the President shall have the authority on behalf of the Foundation to handle inquiries about prospective gifts, negotiate the terms of Fund Agreements with prospective donors, assemble documentation and retain expert and technical consultants as required by these Policies, and to execute agreements, all in accordance with these Policies.

(e) If the Foundation should accept any gift without the prior execution and delivery by the donor of a written Fund Agreement, the donated property shall be added to the unrestricted funds at the Foundation, unless the donor provides clear directions to the

contrary in another writing establishing the gift.

3. Role of Senior Staff. (a) Only the Senior Staff will be authorized to discuss philanthropic planning and gifts to the Foundation with donors and prospective donors. All inquiries about planning and gifts will be referred to a Senior Staff member.

(b) The Senior Staff will work closely with prospective donors to identify and try to achieve both the donor's philanthropic goals and the Foundation's mission. The role of Senior Staff shall be to inform, guide, serve and assist donors in fulfilling their philanthropic objectives but never under any circumstances to exert pressure or unduly influence a donor's decision to make a gift to the Foundation. The Foundation's staff will always consider the interests of the donors as their first priority. The appropriateness of any gift is highly dependent upon the donor's particular circumstances, and Senior Staff will advise donors only in ways that are appropriate in light of the donor's personal or financial situation and the donor's known philanthropic interests.

(b) Whenever possible, Senior Staff should discuss with prospective donors the relevant factors that could reasonably be expected to affect a donor's decision to make a gift to the Foundation. Among other things, Senior Staff should make prospective donors aware of:

- (i) the irrevocability of the gift to the Foundation;
- (ii) prohibitions on material donor restrictions;
- (iii) items that are subject to variability (e.g., market value, investment return, income yield and the amount of income payments);
- (iv) the donor's responsibility for obtaining necessary appraisals, filing appropriate tax returns and defending any challenges to claimed tax benefits;
- (v) administrative and other costs associated with making the gift and administering the fund;
- (vi) the fact that the Foundation has the right to exercise a variance power which allows it to modify any restriction or condition on distribution of the funds should certain exceptional circumstances occur in the future;
- (vii) the fact that the Foundation will make no representations or indemnities with regard to the income, estate or gift tax consequences of any gift; and
- (viii) the fact that the ultimate disposition of the funds will be controlled by the Board.

(c) Senior Staff shall seek the advice of legal counsel whenever staff deems it appropriate in connection with matters covered by these Policies. All agreements, contracts and other legal documents related to gifts to the Foundation shall be reviewed by legal counsel prior to acceptance of the gift (except for standard Fund Agreements that have been approved by the Foundation's President and legal counsel).

(d) The Foundation's staff is not qualified or authorized to provide legal or financial advice to donors. Due to the complexity of charitable gift transactions and their tax consequences, Senior Staff should encourage every prospective donor to consult with his or her own legal counsel and other Professional Advisors (at the donor's expense) prior to making a gift in order to ensure that the donor receives a full, accurate and independent explanation of all aspects of the proposed gift. Senior Staff should also encourage prospective donors to have the terms of all proposed agreements reviewed by the donor's own legal counsel or other Professional Advisor. If the donor requests advice on tax or estate planning matters, Senior Staff will provide the names of at least four estate or tax planning attorneys in the Jacksonville area (or other locale, as appropriate), and will advise donor if attorneys named are on the Foundation's Professional Advisory Council. Senior Staff will not make any representation to the donor with respect to the tax consequences of the gift. Any advice provided by Senior Staff or other authorized representatives of the Foundation should be accompanied by a written recommendation that the donor consult with his or her own attorney or other Professional Advisors.

(e) It is the responsibility of the Senior Staff to maintain written records of meetings and discussions with donors as well as written correspondence and documentation of gift transactions.

4. Irrevocability of Gifts. All completed gifts to the Foundation are irrevocable. Once the money or other asset is transferred to the Foundation, the property belongs to the Foundation, and the donor gives up all right, title and interest in the contributed asset. Individuals and organizations who establish funds at the Foundation cannot later ask for the return of the money or other asset. The use of the principal and income of the fund is subject to the terms of the Fund Agreement establishing the fund. When necessary or appropriate, a Fund Agreement may be amended in writing with the approval of the President and the Board, upon the advice of legal counsel.
5. Restrictions on Gifts. (a) Under Treasury Department Regulations governing community foundations, a donor may not directly or indirectly subject a gift to any material restriction or condition that would prevent the Foundation from freely and effectively employing the transferred assets or the income therefrom in furtherance of its exempt purposes. Limited restrictions on the use of some funds are allowed, and the Foundation will always give consideration to the donor's philanthropic desires that are consistent with the Foundation's mission and legal requirements. However, competitive grantmaking from unrestricted discretionary funds will be the principal means by which the Foundation fulfills its mission, and therefore staff will also encourage the creation of unrestricted discretionary and field of interest funds.

(b) While some funds may be subject to limited restrictions on their use, all such restrictions are subject to the variance power given to the Foundation pursuant to its Articles of Incorporation and Bylaws. This general power allows the Foundation to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organizations whenever, in the sole judgment of the Board, any such restriction or condition becomes unnecessary, incapable of

fulfillment or inconsistent with the charitable needs of the Greater Jacksonville Community.

(c) No fund will be accepted if, after review by the Foundation's legal counsel, there is good reason to believe the restrictions desired by the donor will jeopardize the classification of the fund as a component fund of the Foundation.

6. Disposition of Assets. Donors may not directly or indirectly place any restriction or condition on the Foundation's ability to dispose of a contributed asset. As a general rule, most gifts will be sold as soon as practicable and the net proceeds will be reinvested in a manner consistent with the Foundation's investment policies. However, the Foundation may retain the assets as long as the decision to do so serves the best interests of the Foundation.

Deferred Gifts. (a) The Foundation may accept deferred gifts, the benefits of which do not fully accrue to the Foundation until some time in the future. Donors may direct gifts to the Foundation through a will, testamentary trust, life insurance, gift annuity, interests under charitable remainder or charitable lead trusts, pooled income fund, and other forms of deferred giving. However, the specific asset conveyed in satisfaction of the gift must be evaluated under the guidelines set forth in these Policies prior to acceptance. In addition, before acceptance of the gift, Senior Staff must review the terms of the deferred gift to determine whether the donor's intent and objectives are consistent with the Foundation's goals and mission.

(b) When a donor communicates to the Foundation's Board or staff an intention to make a bequest or other deferred gift to the Foundation, Senior Staff will communicate to such donor the provisions of these Policies which are applicable to the proposed gift, whenever such communication is feasible and deemed appropriate by the Senior Staff. Gifts from the estate of a deceased donor will be accepted pursuant to the terms of these Policies, and Senior Staff will expeditiously communicate the terms of the applicable Policies to the legal representative of the estate.

(c) The Foundation will provide to donors and their legal counsel sample language for restricted and unrestricted gifts to ensure that the Foundation is properly designated as the charitable beneficiary of an intended bequest by will, gift under trust or other deferred gift arrangement. The will, trust agreement or other document should specify the name and address of the Foundation, as follows:

The Community Foundation for Northeast Florida, Inc., a Florida not-for-profit corporation located at 121 W. Forsyth Street, Suite 900, Jacksonville, Florida 32202

The will, trust agreement or other document should also indicate the name of the fund to which the gift is made or the type and purpose of the fund. If the fund is a new

fund, the Foundation will prepare a separate Fund Agreement to define the purpose for which the fund has been created.

7. Gifts Declined. (a) The Foundation reserves the right to refuse to accept any gift if acceptance of the gift is deemed not to be in the best interest of the Foundation or for any other reason, in the Foundation's sole discretion. Some of the reasons for which the Foundation might choose not to accept a gift are: (i) the cost to manage the asset is expected to exceed the financial benefit the Foundation ultimately would realize from the gift; (ii) the gift or the purpose of the gift could potentially jeopardize the Foundation's tax exempt status; (iii) the purpose of the proposed gift fund is too restrictive, would violate the Foundation's charter, or is outside the mission of the Foundation; or (iv) the gift would be too difficult to administer.

(b) The decision to decline a gift will be made by the Gift Acceptance Committee based on information provided by Senior Staff. The Chair of the Gift Acceptance Committee, or another Board member or member of the Senior Staff designated by the Chair of the Gift Acceptance Committee, will notify the prospective donor immediately upon a determination that the Foundation will not accept a proposed gift.

8. Acknowledgment of Gifts. The Foundation's staff will acknowledge all gifts in writing and in a timely manner in accordance with the requirements of applicable Treasury Department Regulations. In order to provide written substantiation of gifts, the donor must provide to the Foundation the donor's name and address.

9. Recognition of Donors. (a) The Foundation believes its mission and the needs of the community are well served by actively promoting and educating the community about its activities and community issues. The Foundation's staff also will establish on-going programs and systems for educating donors and prospective donors about the Foundation, its activities and philanthropic opportunities in the communities served by the Foundation.

(b) The Foundation also believes in the importance of recognizing the role of donors and their gifts in achieving the Foundation's goals and improving the quality of life in the community. The Foundation's staff will develop and implement on an ongoing basis, appropriate ways to recognize and acknowledge donors, both publicly and privately, subject in all instances to the Foundation's confidentiality policies. The Foundation may inform donors and other interested parties of grants made from named funds unless the donor directs otherwise.

(c) As a part of its recognition of donors, the Foundation has created a "Legacy Society" to recognize those donors who have either established an endowed fund at the Foundation or have made a deferred gift to the Foundation under a trust or will. Members of the Legacy Society will be recognized in the Foundation's Annual Report and other publications, with the consent of the donor.

10. Confidentiality. (a) The staff and Board of the Foundation will hold in strict

confidence the results of the asset review or investigation, the terms of all agreements with donors governing existing and planned gifts, and all information about donors and prospective donors and their assets or philanthropic intentions, subject to compliance with all legally authorized and enforceable requests for information by governmental agencies and courts of competent jurisdiction. Staff shall consult with the Foundation's legal counsel prior to providing information in response to a subpoena or other request from a governmental agency or court. No other information concerning donors or prospective donors or gifts will be released unless the donor or prospective donor has given their prior approval. The Foundation's policy is not to release, sell or license any information in its database.

(b) Staff will encourage donors to notify the Foundation of any planned gifts benefiting the Foundation. All such information will be kept confidential unless the donor gives permission to release it.

(c) Every member of the Foundation's staff and Board will be required annually to acknowledge in writing their receipt, review and agreement to be bound by such policies on confidentiality as may be adopted by the Board from time to time.

11. Ethical Standards. The Board and staff of the Foundation must avoid personal conflicts of interest with respect to any gift to the Foundation. No staff member may knowingly serve as trustee, conservator or executor for a donor or prospective donor without the prior express written permission of the President of the Foundation. No staff or Board member shall receive any commission or other remuneration from the Foundation in connection with any gift to the Foundation. Every member of the Foundation's staff and Board shall be required annually to acknowledge in writing their receipt, review and agreement to be bound by the Foundation's Principles and Policies of Ethical Conduct, in such form as may be adopted by the Board from time to time.

12. Payment of Expenses and Fees. (a) Except as may be approved by the Gift Acceptance Committee in unusual circumstances, the Foundation will not pay for legal assistance, appraisals or other services on behalf of the donor. In any case where the Foundation is asked to pay the fees of a person who was originally engaged by the donor, the donor shall be notified that payment of such fees may result in taxable income to the donor in the amount of the fees paid.

(b) In no event will the Foundation pay a commission or finder's fee of any type to any party in connection with the completion of a gift to the Foundation without prior approval by the Board and written notification to the donor of the amount and recipient of such fee.

(c) In no event will the Foundation pay a fee to any person as consideration for directing a gift to the Foundation.

- (d) In no event will the Foundation pay any fees or expenses incurred by a donor in connection with the planning of a deferred gift that is revocable (e.g., under a will or revocable trust).
- (e) The Foundation may pay from the proceeds of a gift all reasonable fees for professional services rendered on its behalf in connection with the completion of a gift, including fees for qualified appraisals, environmental impact studies, legal fees for preparation of documents, accounting fees incidental to the transaction, and fees of financial planners who are compensated only through fees for services rendered and not for sale of products and who have stated in writing that this is the basis on which they are to be compensated. The nature and amount of all such fees will be disclosed to the donor. The Foundation will pay such fees only after discussing them with the donor and obtaining the donor's approval.
- (f) Direct costs of administering outright and planned gifts to the Foundation will not be borne by the general funds of the Foundation, except in unusual circumstances approved by the Board on the recommendation of the Finance Committee. In general, the Foundation will be reimbursed for the costs of administering such gifts from the assets of the fund. Trustee, custodial and other administrative fees may be paid from the respective fund in accordance with guidelines and schedules approved by the Board from time to time.
13. Valuation of Gifts. The donor has responsibility for securing all appraisals required to establish the value of the gift for federal tax purposes. The Foundation will not establish or corroborate the value of any property for the purpose of substantiating the donor's income or estate tax charitable deduction. If the Foundation has reason to believe the property has a value of \$5,000 or more, it may accept the gift only after receipt and review of an appraisal qualified under applicable IRC requirements.
14. Serving as Trustee. (a) The Foundation is a not-for-profit corporation, and all gifts made to the Foundation become its assets. The assets are not held in trust for the donors. However, some donors may choose to make a gift to the Foundation by means of a trust. In that case, the donor has the right to select the trustee(s) and successor trustee(s). A donor may request that the Foundation serve as trustee. However, the Foundation is not in the trust business and, as a general rule, the Foundation will serve as trustee (or co-trustee with an institutional trustee) of (i) a charitable remainder only when the Foundation is irrevocably named as the sole charitable beneficiary and at least 50% of the remainder interest will be retained as a permanent endowed fund (restricted or unrestricted) of the Foundation or (ii) a charitable lead trust only when the Foundation is irrevocably named as the sole charitable beneficiary and the trust agreement provides that at least 50% of the assets paid by the trust to the Foundation will be directed to a permanent endowed fund (restricted or unrestricted) of the Foundation. The Foundation may serve as trustee or co-trustee in circumstances where it will receive a large percentage of the trust income or remainder interest only with the approval of the Board.

(b) The Foundation will not serve as trustee or co-trustee of any revocable trust or other trust that is not a qualified charitable remainder trust or charitable lead trust without the prior approval of the Board.

(c) If the Foundation serves as trustee, it may (but shall not be required to) engage the services of a bank, trust company, financial manager or other agent for administration of the trust and investment of the trust assets. Expenses related to such investment and administrative services shall be charged to the trust.

(d) No member of the staff may knowingly serve as trustee or executor for a donor or prospective donor without the permission of the President of the Foundation.

15. Exceptions to These Policies. Compliance with these Policies may be waived only by action of the Board.

16. Investment of Gifts. (a) The Board and the Investment Committee of the Foundation have responsibility for the investment of all assets of the Foundation. The Foundation may, but shall not be required to, offer a donor the ability to choose among various options for the investment of the asset(s) contributed by that donor. Any such investment options shall be determined solely in the discretion of the Investment Committee, as delegated by the Board of Trustees.

(b) From time to time, a donor may suggest, but may not direct, which of the investment pools maintained by the Foundation to invest the assets contributed by the donor (or net proceeds from the sale thereof) in. The Foundation will consider requests for separate investment of fund assets or use of a particular investment advisor or manager(s) only when circumstances (such as the size of the gift or type of asset) warrant it. Use of a separate investment advisor or managers must be approved by the Foundation's Investment Committee. In any such case, the Foundation may impose additional administrative fees to the separately invested funds if necessary to cover additional expenses associated with such investment.

17. Minimum Fund Amount. The Board from time to time sets a minimum gift amount required to establish a named fund at the Foundation. Currently, the minimum amount required to create an endowed fund is \$50,000. A donor who establishes a non-endowed fund is asked to maintain a \$10,000 balance in the fund. The minimum guideline may be waived by the Board, the President or other Senior Staff member designated by the President, in circumstances where waiver is deemed appropriate, such as when it is anticipated that the donor or other individuals will make subsequent gifts to the fund. In that case, a lower amount may be accepted initially, and the fund will be allowed to build up over time. However, no grants will be made from any endowed fund until it has reached the required minimum amount, unless such requirement has been waived in writing by the Board, the President or a member of the Senior Staff designated by the President.

Amendments to these Policies. These Policies may be amended from time to time by the Board upon the recommendation of the Finance Committee.

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PROCEDURES FOR REVIEW OF GIFTS

One of the most important responsibilities of the Board of Trustees is the safeguarding of the Foundation's assets. Because acceptance of certain types of gifts may subject the Foundation to liability, proper review of all proposed gifts is essential to avoid jeopardizing the Foundation's assets. It is important that the staff and Board make every reasonable effort to assure that gifts do not place other assets of the Foundation at risk and that they can be converted easily into assets that meet the Foundation's investment guidelines.

The Finance Committee will have primary responsibility for developing and implementing appropriate gift acceptance policies. In carrying out that responsibility, the Finance Committee will: (i) present to the Board for approval policies and guidelines related to the acceptance of gifts, and any amendments thereto that may become necessary or desirable from time to time, and (ii) at the request of the Gift Acceptance Committee, consult with the Gift Acceptance Committee as may be required concerning the acceptance of gifts requiring approval by the Gift Acceptance Committee.

The Gift Acceptance Committee consists of the Chair of the Board, , Chair of the Investment Committee, Chair of the Finance Committee, the President, Executive Vice President, Vice President of Development and Vice President of Philanthropic Services. The Gift Acceptance Committee meets periodically as necessary to review and approve proposed gifts requiring their approval. All gifts requiring Gift Acceptance Committee review will be handled promptly and confidentiality. The Gift Acceptance Committee will make a written annual report to the Finance Committee identifying all gifts the committee has accepted or rejected during the previous year.

As a part of the gift acceptance process, the staff and the Gift Acceptance Committee must make a determination that acceptance of the gift is consistent with these Policies and is in the best interest of the Foundation before the gift may be accepted. In addition to reviewing the proposed gift pursuant to the specific guidelines and procedures set forth in these Policies, the staff and the Gift Acceptance Committee will consider the proposed gift in light of the donor's charitable intent and ultimate benefit to the community; the nature of any proposed restrictions; the permanency of the gift or, if not permanent, the amount of time the gift is expected to remain at the Foundation; projected costs of managing the gift asset; expected fee revenues to the Foundation for administering the gift; and the feasibility of managing the gift.

Procedures for Gifts Not Requiring Gift Acceptance Committee Approval

Some gifts pose little threat to the assets of the Foundation, and authorized Senior Staff members may accept those types of gifts (identified below) without the prior review or approval of the Gift Acceptance Committee, subject only to the gift being consistent with these Policies and the purposes and Bylaws of the Foundation and being made pursuant to standard Fund Agreements approved by the Foundation's President and legal counsel. The President, or any other officer or Senior Staff member designated by the President from time to time, shall be authorized to accept gifts that do not require prior review and approval of the Gift Acceptance Committee and to negotiate the terms of and execute any gift agreement related thereto on behalf of the Foundation.

Gifts that may be accepted without Gift Acceptance Committee approval, subject to the Guidelines for Acceptance set forth below, are:

1. Cash and Cash Equivalents
2. Publicly-Traded Securities
3. Gifts of Tangible Property for Foundation Use
4. Life Insurance
5. Charitable Gift Annuities Funded with Cash or Publicly-Traded Securities
6. Gifts to the Foundation's Pooled Income Fund Funded with Cash or Publicly-Traded Securities

Procedures for Gifts Requiring Gift Acceptance Committee Approval

In connection with their tax and financial planning, some donors may be interested in making gifts of specific assets that create more risk for the Foundation. Those types of gifts (identified below) will require a review by staff and the review and approval of the Gift Acceptance Committee prior to being accepted. In addition, the President, Executive Vice President, Vice President of Philanthropic Services or Vice President of Development may, in his or her discretion, refer any other proposed gift transaction to the Gift Acceptance Committee for review and advice if he or she has any concerns about the valuation, disposition or other issue which suggests a review of the proposed gift is appropriate.

Types of gifts that will require review and approval by the Gift Acceptance Committee before they are accepted by the Foundation are:

- (1) Non-Public Securities;
- (2) Interests in real estate (whether outright or through a deferred arrangement);
- (3) Other non-liquid assets;
- (4) Tangible personal property that is not for the Foundation's use or related to its purposes;
- (5) Personal property that is perishable or will require additional insurance, special facilities or security to safeguard it properly;
- (6) Accounts receivable, loans, mortgages, notes and similar instruments;
- (7) Any gift which falls outside the ordinary purposes, Bylaws and procedures of the Foundation;
- (8) Any gift proposed to be made pursuant to an agreement that is substantially or materially different from the standard Fund Agreements approved by the

- President and the Foundation's legal counsel;
- (9) Charitable gift annuities funded with assets other than cash or publicly-traded securities;
 - (10) Gifts to the pooled income fund of assets other than cash or publicly-traded securities;
 - (11) Any other arrangement where the donor is to receive payments from the Foundation;
 - (12) Any other property that is unusual or does not belong to one of the categories of gifts identified in these Policies;
 - (13) Any gift that includes a restriction or suggestion regarding the Foundation's use of funds that would raise legal, ethical, policy or practical concerns for the Foundation;
 - (14) Any gift for which the Foundation is to act as trustee; and
 - (15) Any other gift transaction the President or any other Senior Staff deems advisable.

Prior to accepting the gift, the staff will perform such investigations as they deem necessary, appropriate and consistent with these Policies. In conducting such investigations, staff will confer with legal counsel and other Professional Advisors as may be warranted by the circumstances or as required by these Policies. Staff will also consider the impact of any proposed gift on the Program staff.

Staff will present a written report to the Gift Acceptance Committee summarizing the terms of the proposed gift, the results of the investigation and all other information relevant to consideration of the gift, and recommending acceptance or rejection of the gift. The report may be made by phone, fax or other written communication, as deemed to be most appropriate under the circumstances, given the nature and complexity of the gift and the issues involved.

The Gift Acceptance Committee will consider the report and recommendations of the staff. Before a gift is accepted, it must be approved by a majority of the members of the Gift Acceptance Committee voting at a meeting at which a quorum is present or by unanimous written consent. Such approval must be documented and presented to the Board. The Gift Acceptance Committee will report all approved gifts to the Board.

Special Exceptions to the Procedures for Acceptance

In exceptional circumstances, the decision to accept a gift may require unusually quick or immediate action that precludes a full review by the Gift Acceptance Committee in accordance with these Policies (e.g., a gift made on December 31 or pending a sale of property) or may arise when the majority of the members of the Gift Acceptance Committee are not available for an extended period of time. The gift may be exempted from the requirements of full review by the Gift Acceptance Committee if, in the judgment of the President and the Chairman of the Board after having consulted with the Foundation's legal counsel and, if they are available, the Chairs of the Investment and Finance Committees, the gift may be accepted without significant reservations and without jeopardizing the Foundation's tax exempt status. The President will document and present any such gift for ratification by the Gift Acceptance Committee at its next meeting.

If a gift is approved on an expedited basis for the convenience of the donor, the Foundation may require the donor to provide appropriate indemnities for any liability, damages, expenses, etc. that may be incurred by the Foundation as a result of not having time to do the normal due diligence required by these Policies and impose such other additional requirements as the Foundation deems necessary or advisable for the protection of its assets.

GUIDELINES FOR ACCEPTANCE OF GIFTS
NOT REQUIRING APPROVAL BY THE GIFT ACCEPTANCE COMMITTEE

The following categories of gifts may be approved for acceptance by the President of the Foundation or any Senior Staff member designated by the President without prior review or approval by the Gift Acceptance Committee. All such gifts shall be reported to the Gift Acceptance Committee at its next regularly scheduled meeting following acceptance of the gift.

Cash and

Subject to compliance with the requirements of the Large Cash Transactions

Cash

Act, the Foundation will accept gifts of cash or gifts made by check, money

Equivalents

order, wire transfer or credit card in any amount, subject to the minimum fund requirements set by the Board from time to time. Checks and money orders should be made payable to the Foundation.

The specific fund for which the gift is intended should be noted on the bottom left corner of the check or money order or in attached correspondence. All gifts of cash and cash equivalents should be accompanied by a written Fund Agreement signed by the donor indicating the fund(s) to which the contribution should be credited.

Gifts of cash and checks are considered made on the date they are received in the Foundation's office. Gifts that are mailed must be postmarked on or before December 31 in a given year in order to be considered a gift made in that calendar year. Checks received or postmarked after that date will be considered to have been received in the next calendar year regardless of the date on the check.

Checks will be deposited in the ordinary course of business. No employee or agent of the Foundation shall be authorized to delay deposit.

The Foundation may accept gifts by wire transfer to its account. If a donor wishes to wire a gift to the Foundation's account, staff will provide the account number.

Marketable
Securities

The Foundation will accept gifts of stocks, bonds, interests in mutual funds and other securities that are publicly-traded on the New York or American Stock Exchange or quoted on the NASDAQ, and gifts of other readily marketable securities. In preparation for accepting such securities, the Foundation's staff will give special attention to restricted or controlled stock. The value of the gift of publicly-traded stock will be its fair market value on the date of the gift, generally determined by taking the arithmetic mean between the high and low selling prices on the date the stock is transferred (as reported by its

principal buy and sell market), multiplied by the number of shares tendered. The value of over-the-counter stocks for which no high and low sale prices are reported on the date of the gift usually will be based on the arithmetic mean between the bid and asked prices on that date. The value of a share in a mutual fund is its public redemption price (“bid price”) in effect at the time of the gift. Bond specialists will determine the value of bonds not routinely reported in financial publications. It will be the donor’s responsibility to obtain any necessary valuations or appraisals. Foundation staff will report net proceeds delivered from liquidation of the gift that will be added to the donor’s fund, will advise donor that this may not be the amount that is deductible as a charitable gift for income tax purposes, and will recommend donor consult with their tax advisor.

Publicly-traded stocks and bonds may be transferred electronically, re-registered in the name of the Foundation or conveyed through use of a properly executed stock power form. If the securities are in “street name,” they should be transferred to the Foundation’s account at a brokerage firm. If the actual stock certificate is conveyed, it will be properly endorsed by the donor and held by the Foundation until disposition.

The date of the gift of a security is the date on which the security:

- (a) is unconditionally delivered or mailed in proper negotiable form to the Foundation or its agent;
- (b) is transferred and held in street name on the books of a brokerage firm; or
- (c) is transferred on the books of the issuing corporation when delivered to that corporation for transfer into the Foundation’s name.

The Foundation will make no agreement with the donor prior or subsequent to the gift regarding its disposition. The Foundation will make all decisions regarding the sale or retention of marketable securities. Generally, they will be sold as soon as possible following receipt, unless the appropriate officers of the Foundation elect to hold the securities as an investment.

Withstanding the above, consideration will be given to the unique risk of investment losses when trading low volume public securities. Staff, as directed by the Investment Committee, will actively manage the sale of low volume securities, likely selling in lots overtime, so as to mitigate the greater risk of loss derived from limited numbers of interested buyers, which generally leads to volatile price fluctuations.

In the event the Foundation decides to hold the marketable securities as an investment within one of its investment pools, the value of the

addition to the fund(s) specified by the donor will be determined by taking the arithmetic mean between the high and low selling prices on the date the stock is transferred to the Foundation, multiplied by the number of shares tendered. If the marketable securities are sold, the Foundation will credit the sales proceeds (price per share times the number of shares, less brokerage fees or commissions) to the fund(s) specified by the donor.

Any stock subject to restrictions on sale under Rule 144 of the Securities and Exchange Commission will be held until the restriction expires and then will be sold. Gifts of bonds that require a holding period may be accepted and redeemed when the holding period has expired.

The Foundation will not accept securities which (1) are assessable or in any other way may create a liability for the Foundation, (2) by their nature may not be assigned (e.g., series E savings bonds), or (3) have no apparent value.

**Tangible Personal
Property for
Foundation Use**

The Foundation may receive gifts of furniture, equipment and other tangible personal property intended for use in the Foundation's office or its programs.

Establishing the value of the gift is the responsibility of the donor. The Foundation and the donor must comply with Treasury Department Regulations governing the obtaining and reporting of qualified appraisals for tax purposes. If the value of the property exceeds \$5,000, the donor is required to obtain a qualified appraisal performed and submit it to the IRS on Form 8283. If the Foundation sells the property within three years of receipt, the Foundation must file IRS Form 8282 informing the donor and the IRS of the sale price of the property. (Note: the law reduces the donor's tax deduction, subject to exception, if the Foundation disposes of the property within three years of receiving the contribution. The law also imposes a penalty on a donor who claims a deduction for tangible personal property on the basis of the donee's use of such property for its exempt purpose knowing that it is not intended for such a use.)

Life Insurance

The Foundation may accept gifts of life insurance. A donor may make a gift of life insurance by irrevocably assigning to the Foundation all right, title and interest as the owner and beneficiary of the policy or by designating the Foundation as the only beneficiary or a partial beneficiary of a policy owned by the donor. When the Foundation is owner and beneficiary, it will retain the original insurance policy in its offices. The Foundation will not enter into charitable reverse dollar arrangements.

If the donor wishes to transfer ownership of a policy that is not fully paid up, the Foundation will decide on a case-by-case basis whether to accept the gift. If the Foundation accepts a policy for which premiums are due, the Foundation may choose either to cash in the policy for its current cash surrender value or continue payment of the premiums.

Prior to accepting any policy for which premium payments are to continue to be made, Senior Staff will discuss with the donor whether the donor is willing to continue to pay the premiums in the future. The donor has the option of agreeing to pay the premiums directly or agreeing to make a contribution to the Foundation in the amount of the premium at least 10 days prior to each subsequent premium due date so that the Foundation can pay the premium. The donor should determine the best method for payment in consultation with the donor's legal counsel or other Professional Advisor.

The Foundation will not assume responsibility for payment of delinquent premiums. If the policy is canceled for nonpayment of premiums, the Foundation will collect the cash value of the policy and add it to an unrestricted fund in the donor's name. However, the Foundation may elect, at its sole discretion, to pay the delinquent premiums if such payment is in the Foundation's best interest.

Donations of policies written for a year-end tax purpose must have a certifiable date from the insurance company in order to be a qualified donation for that tax year.

The Foundation will accept a paid-up policy or premium-due policy of any value. A one-time administration fee may be assessed on premium-due policies.

Upon redemption of the policy following the death of the donor, the proceeds of the policy will be used to establish a new fund or to make a contribution to an existing fund at the Foundation. If the insurance proceeds are \$50,000 or more, the proceeds will be used to establish a permanent named fund. If the donor does not provide recommendations during the donor's lifetime as to the charitable purposes of the fund, or if the proceeds of the policy are less than \$50,000, the proceeds will be used for the unrestricted purposes of the Foundation.

Gift Annuities

The Foundation may accept an interest in a charitable gift annuity without review by the Gift Acceptance Committee if the annuity is funded solely with cash or publicly-traded securities. However, the Board from time to time may establish a limit on the aggregate dollar amount of annuities for which the Foundation may become obligated.

Therefore, no gift may be accepted which would cause the then-existing limit to be exceeded without the prior approval of the Board, regardless of how the annuity might be funded. Foundation staff should refer to the Gift Annuities Policies for guidance.

Pooled Income Fund The Foundation may accept a gift to the Foundation's pooled income fund without review by the Gift Acceptance Committee if the gift is one of cash or publicly-traded securities.

GUIDELINES FOR ACCEPTANCE OF GIFTS REQUIRING PRIOR APPROVAL BY THE GIFT ACCEPTANCE COMMITTEE

Acceptance of proposed gifts of the following types of assets will require prior review and approval by the Gift Acceptance Committee in accordance with the procedures and guidelines set forth in these Policies.

GIFTS OF NON-PUBLIC SECURITIES

There may be excellent tax incentives for donors to contribute to the Foundation appreciated long-term capital gain property such as Non-Public Securities. Gifts of such property can often make financial resources available for charitable purposes at the lowest after-tax cost to the donor.

Contributions of Non-Public Securities raise special issues that bear on the advisability of accepting the gift and must be reviewed on a case-by-case basis. The purpose of the review is to assure that these issues are addressed prior to acceptance of the gift.

Whether the Foundation will accept the proposed gift depends ultimately on the financial and other liability to which the Foundation may be exposed as a result of accepting the gift, as well as the amount of management attention that will be required. The Foundation will consider all of the factors set forth in these Guidelines and may accept gifts of Non-Public Securities only if, after considering all such factors, it concludes that acceptance of the gift will benefit and be in the best interest of the Foundation. The Foundation reserves the right to refuse any proposed gift if acceptance does not appear to be in the Foundation's best interest, as determined in the Foundation's sole discretion.

Role of Senior Staff

Senior Staff, with advice from legal counsel as necessary, will review all proposed gifts of Non-Public Securities. Senior Staff and counsel will review carefully the relevant documentation and other information provided by the donor about the Issuer and the Non-Public Securities. The purpose of the review is (i) to obtain a clear understanding of the Issuer's business activities, the underlying assets and liabilities, and the nature of the interest proposed to be conveyed and (ii) to determine whether there are any actual or potential liabilities (e.g., taxes, capital calls or contingent liabilities) associated with holding such securities.

If the Issuer is a limited partnership, limited liability partnership, or limited liability limited partnership, Senior Staff will obtain from the donor the information set forth in Appendix A: Checklist for Acceptance of Gifts of Non-Publicly Traded Interests in Limited Partnerships. Particular attention will be given to how allocations are made among the partners, the nature of the partnership's business activities and the potential for any tax or other liability for the Foundation.

If the Issuer is a corporation, Senior Staff will obtain from the donor the information set forth in Appendix B: Checklist for Acceptance of Gifts of Non-Publicly Traded Stock. Particular attention will be given to the existence and nature of the corporation's liabilities (actual and potential) as well as any potential tax liability for the Foundation.

Upon completion of the review, Senior Staff will make a written report to the Gift Acceptance Committee. In the report, Senior Staff will recommend whether the Foundation should accept the proposed gift or not, and the reasons for such recommendation.

Factors to be Considered

In determining whether to accept a gift of Non-Public Securities, the Foundation will consider the following factors:

1. Marketability/Liquidity of the Interest

The Foundation will be concerned about the probability that the Non-Public Securities may be sold or converted to a liquid asset within a reasonable period of time. If the Non-Public Securities are not readily marketable at the time of the gift, it should reasonably appear that the securities can be sold or converted into income-producing property within a specific time frame, generally not to exceed five years.

Donor-advised funds are prohibited from owning “excess business holdings” in any “business enterprise,” which generally means owning more than 20% of the voting stock of a business corporation or 20% of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity, less the percentage of all voting stock or profits interest owned by the Donor-advised fund’s disqualified persons. The Foundation will have five years to dispose of excess business holdings before any IRS penalties will apply. Accordingly, the Foundation should consider that donor advised funds receiving a gift of an interest in a business enterprise may have to divest of the interest within five years of the date of the gift when accepting gifts of interests in business enterprises. The Foundation cannot accept a gift of ownership in an unincorporated business that is not substantially related to the fund’s purpose. [See Schedule of Definitions: Excess Business Holdings.]

In some cases, (for example, a family limited partnership), there may not be a market for the Non-Public Securities. Before accepting any such securities, the Foundation will have to consider the role it would be required to play in the operations of the Issuer and analyze what distributions could be anticipated during an indefinite holding period before sale. It would also be desirable to develop a specific plan for the operation of the Issuer’s business during the holding period, as well as an exit strategy that would require the Issuer to redeem (or the other shareholders or partners to buy) the Foundation’s interest at a fair price. If an acceptable plan for operating the business and buying the interest cannot be worked out, the Foundation should decline the gift, unless other circumstances or factors lead the Gift Acceptance Committee to recommend otherwise.

The Foundation should consider whether the partnership agreement provides some mechanism by which the Foundation may reduce its

ownership interest (for example, by converting it to a preferred interest with a guaranteed rate or return, through a series of put options, by a right of absolute redemption or by some other method). The Foundation should also determine whether the other partners have a plan or intend to liquidate the partnership at some time in the near future.

2. Management of the Issuer

Each Issuer is a separate and unique business whose success or failure depends primarily on the management skills of its directors, shareholders or general partners. If the Non-Public Securities are not readily marketable, the Foundation would be expected to carry the asset as an investment on its books. In that case, the Foundation will be concerned about the strength of the Issuer's management and its impact on the expected profitability and ultimate value of the Issuer's business and the Foundation's interest in it. The Foundation will also be concerned about the role it would be expected to play in the management of the business and with the degree of control it would have over its investment. If the Issuer will continue to operate as an on-going business after the proposed gift is made, Senior Staff will bring that fact to the attention of the Gift Acceptance Committee and seek their guidance before proceeding with further discussions or investigations regarding the gift.

3. Exposure to Claims and Liabilities

The Foundation will evaluate whether acceptance of the gift may expose the Foundation and its assets to claims of the Issuer's creditors or other contingent liabilities. Among other things, the Foundation will consider whether the applicable corporate documents, limited partnership agreement, insurance policies and other relevant agreements create adequate limits on each shareholder's or partner's liability for future amounts that may become due and owing because of the Issuer's liquidation, dissolution, or bankruptcy, excessive liability claims or other claims that might adversely affect the Foundation.

The Foundation will also determine whether the donor has contributed the full amount of capital the donor is obligated to contribute to the Issuer. If not, the donor will be expected to make appropriate arrangements (for example, by providing an irrevocable letter of credit, hold-harmless agreement or insurance policy) to fund any further contribution when it is called.

Before the Foundation will accept Non-Public Securities of any Issuer that owns real estate, the donor will be required to provide all the information and meet all the other requirements set forth in these Guidelines for evaluation and acceptance of a gift of real estate.

4. Value of the Interest

Generally, the Foundation will accept a gift of Non-Public Securities only

if the minimum fair market value of such securities is at least \$100,000, as determined by a qualified appraisal. The Foundation will accept the gift only if proper information concerning the value of the gift has been provided to the Foundation. The Foundation must be the recipient of both the income stream (if any) and liquidation proceeds.

5. Projected Income

The Foundation will charge funds holding Non-Public Securities the same administrative fees it charges all other funds at the Foundation. In addition, the Foundation will charge all expenses associated with holding the Non-Public Securities (e.g., taxes, accounting expenses, costs of tax return preparation) against the fund holding such securities.

The Foundation will analyze the nature and amount of income (e.g., dividends or partnership distributions) it can expect to receive during the period it holds the Non-Public Securities. The Foundation will require the donor to give adequate assurance that the affected fund will have adequate cash (either from income generated by the Non-Public Securities or from further contributions by the donor) to pay all anticipated administrative fees and other expenses, as well as any anticipated or contingent liabilities and taxes related to holding the Non-Public Securities. In cases where the Issuer is not expected to distribute sufficient cash to pay such expenses, the Foundation will expect the donor to agree in writing to make additional cash gifts as may be necessary to pay such costs.

6. Adverse Tax Consequences

One issue of particular concern to the Foundation will be the question of whether any income expected to be generated by the Issuer would be categorized by the IRS as unrelated business income that would subject the Foundation to unrelated business income tax (“UBIT”). Having a significant amount of this income in any given year could jeopardize the Foundation’s status as a tax-exempt organization.

In general, the Foundation has a policy of not exposing itself to activities that would give rise to taxable unrelated business income. Because it is impossible to forecast the Issuer’s future activities, the Foundation will not accept any gift that may give rise to unrelated business income unless the donor agrees to pay any UBIT that may be imposed because of the Foundation’s ownership of the Non-Public Securities.

If the Issuer is a partnership, the distributive share of income to the Foundation may exceed cash payments to the Foundation. If such share is unrelated business income, the Foundation will be taxed on it regardless of the amount of cash it receives from the partnership. In the worst case, the distributive share of income may create a tax liability exceeding the cash actually distributed. Gain, including phantom gain when the Foundation disposes of the partnership interest, can also present tax problems. If the

Foundation accepts the gift, it may require the donor to agree to reimburse the Foundation for any tax that may be imposed on such phantom income or phantom gains.

Although the Foundation legally may accept a gift of stock in a Subchapter S corporation, the Foundation will be subject to UBIT on every cent of its share of income attributed to such stock (including passive income that normally would be tax-exempt) while the Foundation owns it. In addition, unlike almost every other asset the Foundation may own, the Foundation will be taxed on any capital gain upon its ultimate disposition of the stock. In the worst case, the distributive share of income may create a tax liability exceeding the cash actually distributed.

The UBIT will be based on the Foundation's share of tax accounting income, not actual cash distributions. It would therefore be important to determine whether the Issuer can reasonably be expected to make cash distributions at the time and in amounts necessary to pay the UBIT as it becomes due. The Foundation will also be concerned with whether there will be any net cash flow (after UBIT) available for charitable purposes. Before the Foundation accepts a gift of stock in a Subchapter S corporation, it will require the donor to agree to reimburse the Foundation for all UBIT taxes it may owe as a result of holding such stock.

Numerous additional issues arise if the Foundation will acquire control of the Issuer (i.e., 50% or more of the voting interests or the value of the Issuer) by virtue of accepting the gift. Senior Staff must consult with the Foundation's legal counsel regarding such issues prior to acceptance of the gift.

7. Nature of Issuer's Business

The Foundation generally prefers not to accept gifts of Non-Public Securities if ownership of the securities may subject the Foundation to UBIT. The Foundation's ownership of Non-Public Securities of an Issuer which carries on an active, for-profit business may subject the Foundation to UBIT.

In general, the Foundation will accept Non-Public Securities only if the Issuer is a passive, investment-type entity which holds only rental real estate, stocks, bonds and other investments. The Foundation's receipt of interest, dividends, rentals and other passive income generally will not give rise to UBIT. However, if the Issuer holds investments that give rise to debt-financed income (such as mortgaged real estate or securities purchased on margin or is a Subchapter S corporation), ownership of the Non-Public Securities will subject the Foundation to UBIT.

8. Special Requirements

The Foundation will consider whether there are any special requirements or

restrictions associated with the Non-Public Securities which would be burdensome or create unacceptable risk to the Foundation.

9. Expected Rate of Return

The IRS requires the Foundation to assure that its funds produce a reasonable rate of return. The Foundation will consider whether acceptance of the gift of Non-Public Securities is consistent with its obligation to obtain a reasonable rate of return and to invest prudently. This can be particularly important for property held in designated funds, because Treasury Department Regulations require performance of designated funds to be judged on a fund-by-fund basis.

10. Issuer's Assets and Liabilities

In most cases, an interest in a real estate partnership will cause the Foundation to have unrelated business income and would therefore not be accepted as a gift to the Foundation. Before the Foundation will accept an interest in a limited partnership that owns real estate, the donor will be required to provide all the information and meet all the requirements set forth in these policies for evaluation and acceptance of a gift of real estate.

Any encumbrances attributable to the partnership will be allocated to the limited partners as required under Treasury Regulations and may adversely affect the tax consequences to the donor and the Foundation.

11. Type of Partnership

The Foundation cannot accept gifts of general partnership interests or general partner interests in a limited partnership due to the risks posed to the Foundation's assets by the potentially unlimited liability inherent in such interests. In addition, the tax-exempt status of the Foundation may be jeopardized if the IRS considers participation as a general partner to constitute non-charitable activities. For this latter reason, the Foundation cannot accept gifts of a general partner interest even in a limited liability partnership.

Responsibilities of Donor

As soon as practicable following the donor's initial inquiry regarding contribution of Non-Public Securities to the Foundation, the donor must provide to Senior Staff (at donor's expense) the documentation and other information set forth on Appendix A or B, as the case may be, and, upon request, any other documents or information Senior Staff or the Foundation's legal counsel reasonably deems necessary in connection with their review of the gift. Senior Staff and the Foundation's legal counsel may also request the opportunity to meet with the Issuer's accountants or attorneys (or both) to discuss the financial status of the Issuer's business and the existence and nature of any litigation or other liabilities.

Prior to the Foundation's acceptance of a gift of Non-Public Securities, the donor also will be required to obtain and provide to the Foundation, at donor's expense:

(1) A qualified appraisal of the value of the Non-Public Securities by a reputable independent accounting or appraisal company and a statement of the percentage interest to be transferred to the Foundation. The appraisal must be performed within 60 days of the anticipated date of transfer to the Foundation in accordance with applicable Treasury Regulations governing the establishment of the value of a gift for federal tax purposes.

(2) A written agreement signed by the donor stating (i) the terms of the gift, (ii) the value of the Non-Public Securities as determined by the appraisal and the number of shares of stock or a description of the partnership interest, as the case may be, to be given to the Foundation, and (iii) that there are no restrictions on the Foundation's right to use or convey the gifted property.

The agreement will also provide that the donor will agree (A) to the payment from the affected fund of any UBIT and other taxes and all other expenses associated with holding the Non-Public Securities or, if cash in the fund should be inadequate to pay the taxes and expenses, to make further contributions as necessary to pay them; (B) to indemnify the Foundation and hold it harmless from any liability (i) in the event the Issuer becomes bankrupt or otherwise unable to satisfy its obligations as they become due or (ii) arising from litigation or other claims against the Issuer; and (C) to fund any further contributions of capital or other amounts required to be paid under the terms of the applicable partnership or other agreement and to hold the Foundation harmless with respect to all such amounts.

(3) A completed and signed IRS Form 8283 (Noncash Charitable Contributions).

(4) Appropriate instruments necessary to transfer the Non-Public Securities to the Foundation. All proposed transfer instruments must be reviewed and approved by the Foundation's legal counsel prior to acceptance of the gift.

(5) If the Issuer is a corporation, a certificate of good standing from the applicable state authority (dated within 10 business days of the transfer to the Foundation).

(6) Any written consents required to be given by other owners of the Issuer pursuant to agreements to which the donor is a party.

Valuation of Gift

The donor's charitable deduction will be based on the value of the gift as of the date the Non-Public Securities are transferred. A qualified appraisal is required.

Disposition of the Securities

Typically, when a donor contributes Non-Public Securities to a fund at the Foundation, the securities are later sold by the Foundation for cash. If the Non-Public Securities are readily marketable, they will be sold as soon as possible (sometimes on the same day the gift is received). The Foundation will not guarantee or pre-arrange a sale of the Non-Public Securities or make any other agreement that might imply or cause the imposition of a material restriction on the property. The securities may be sold only with the approval of the

Investment Committee or a duly authorized member of the Senior Staff, with the concurrence of the Chair of the Investment Committee. The donor's fund account will be credited with the proceeds from the sale, less any commissions and expenses of sale.

The Foundation will advise the donor that if the Foundation sells, liquidates or otherwise disposes of any Non-Public Securities listed on IRS Form 8283 within three years of receipt of the gift, the Foundation is required to file (within 125 days of the disposition) a report with the IRS on Form 8282 (Donee Information Return) reporting the actual proceeds and other facts about the sale of the securities.

If the Non-Public Securities are not readily marketable at the time of the gift, the Foundation will hold them in the Foundation's safe or other secure location until they may be redeemed or sold for cash. In some cases, there may be long delays (perhaps even years) before the Non-Public Securities can be sold. The value of the securities as of the date of the gift, plus or minus any gains or losses that are incurred during the time between the gift transfer and subsequent sale by the Foundation, will be reflected in the value of the donor's fund account.

All dividends paid or other distributions made to owners of the contributed Non-Public Securities prior to its sale will belong to the Foundation and will be used to offset the fees charged to the donor's account in the same year ending with the anniversary date of the gift. Any excess dividend income will not be applied against fees in following years. Dividends will be credited to the donor's fund only to the extent they are not applied to offset fees.

The Foundation will sell the Non-Public Securities for their fair market value, as established by agreement or appraisal at the time of sale. In some cases, the Foundation may obtain an independent appraisal of the value prior to agreeing to a proposed sale. The Foundation will make no warranty or representation to the donor that the value agreed upon as the sale price for the Non-Public Securities will be acceptable to the IRS.

Withstanding the above, consideration will be given to the unique risk of investment losses when trading low volume private securities. Staff, as directed by the Investment Committee, will actively manage the sale of low volume securities, likely selling in lots over time, so as to mitigate the greater risk of loss derived from limited numbers of interested buyers, which generally leads to volatile price fluctuations.

In some cases, there may be a stock purchase agreement setting forth terms and conditions of a proposed sale of the Non-Public Securities. The Foundation cannot become a party to any such agreement and cannot participate in the provision of any warranties, representations or indemnification to the purchasers of the securities. The Foundation may not make any commitment for the repurchase of such securities prior to completion of the gift.

Deferred Gifts

Donors will be encouraged to discuss with Senior Staff any contemplated deferred gift or bequest of Non-Public Securities prior to finalizing their wills or trust agreements. Any Non-Public Securities bequeathed or passing under a deferred gift agreement to the Foundation will be evaluated in accordance with these Policies and Guidelines in the same manner as any lifetime gift of such an asset.

A charitable remainder trust cannot be the owner of stock in a Subchapter S corporation, unless it is determined to be a “Qualified Subchapter S corporation.”

GIFTS OF REAL PROPERTY

There may be tax incentives for donors to contribute appreciated real property to the Foundation. However, contributions of real property raise special issues that bear on the advisability of accepting the gift. All proposed gifts of real estate will be reviewed in accordance with these Guidelines to ensure that these issues are appropriately addressed prior to acceptance of the gift.

The Foundation may accept gifts of real estate made directly to the Foundation or used to fund a deferred giving arrangement such as a charitable trust. Before accepting any proposed contribution of real estate (whether as an outright gift or through a deferred giving arrangement), the Foundation’s staff and legal counsel will make a thorough review of the property, considering all relevant facts and circumstances. The Foundation will conduct an appropriate physical investigation of the property and a proper financial analysis to determine whether the property is an appropriate investment for the Foundation, particularly if commercial or income-producing property is involved. As a general rule, the Foundation will require about 90 days to evaluate a proposed gift of real estate.

The Foundation will accept the gift only if the property is marketable, is not expected to create any liability (environmental, financial or otherwise) for the Foundation, and if, given all the facts and circumstances, it appears that acceptance of the gift will benefit the Foundation. The Foundation reserves the right to refuse any gift of real estate if acceptance does not appear to be in its best interests, as determined in the Foundation’s sole discretion.

ROLE OF SENIOR STAFF

When a prospective donor expresses a desire to donate real estate to the Foundation, Senior Staff will meet with the donor to obtain preliminary information about the property and ask the donor to complete and return the Real Property Disclosure Checklist (Appendix C), along with requested maps and documentation. Staff will review with the donor the applicable portions of the Policies and Guidelines and may provide copies of such portions of the Policies and Guidelines as staff deems appropriate. Staff will also review with the donor the list of additional information and documentation to be provided to the Foundation, as set forth on Appendix D.

After the donor has provided information regarding the location of the property, one or more representatives of the Foundation (staff or professionals hired by the staff) will personally visit the property site and make a preliminary inspection to:

- (1) Assess the nature of the property and its character in relationship to surrounding properties;
- (2) Evaluate the physical condition of the property and inspect for necessary maintenance, repairs and required improvements;
- (3) Observe any apparent hazards or other liabilities;

- (4) Assess whether the property appears to be readily saleable or, if necessary, manageable;
- (5) Evaluate whether ownership of the property will be consistent with the Foundation’s mission and image; and
- (6) Identify any potential problems that would hinder or prevent the Foundation’s sale of the property and that might not be evident from the information initially provided by the donor.

Before proceeding, the Foundation will request written representations from the donor regarding, among other things, the environmental status of the property (as set forth in Appendix E) and an independent appraisal of the value of the property performed in accordance with IRS guidelines. The Foundation may consult a real estate broker who markets similar property for a current market analysis. If the analysis indicates a price significantly less than the appraisal or the donor’s expectations, Senior Staff should review the analysis with the donor.

If the preliminary inspections and appraisal are favorable, Senior Staff will perform a thorough analysis of the property. The analysis will include a review of the information and documentation provided by the donor and performance of such additional on-site visits and other reviews and investigations as they may deem necessary or prudent. Staff may also engage such qualified engineers, contractors, real estate agents or brokers, attorneys, or other professionals as they may deem necessary in order to perform the required inspections and evaluations.

Before the Foundation will accept a gift of real estate, all forms, tests, inspections and documents required to be performed or obtained under these Guidelines shall have been satisfactorily performed or delivered. The Foundation may also consider obtaining a formal inspection of the property by an independent firm.

Factors to be Considered

Among the factors the Foundation will consider in evaluating a proposed gift of real estate are:

Tax Consequences

Senior Staff will evaluate whether acceptance of the gift may result in adverse tax consequences to the Foundation, especially in the case of commercial property. For example, the Foundation may be exposed to UBIT if the property is income-producing.

The Foundation will also consider the tax consequences resulting from depreciation of the real property. For example, if the donor has taken accelerated depreciation in excess of straight-line that must be recaptured, the donor will be responsible for paying any taxes that may result from such recapture. Also, as a nonprofit corporation, the Foundation will not be able to take advantage of the tax benefits from depreciation.

Type of Ownership

The Foundation prefers to accept real property that is owned solely by

the donor. Ownership of the property by a partnership or multiple owners may create complications. The Foundation will accept property having multiple owners only if all the owners agree to the gift in writing.

Encumbrances

The Foundation prefers to receive gifts of real property that is not subject to any indebtedness or other encumbrance. Acceptance of a gift of real estate that is subject to an encumbrance can sometimes present special problems and may have adverse tax consequences to the donor and the Foundation. Whether assumption of liability for the encumbrance is feasible requires a careful consideration of the possibility of creating a drain on the Foundation's cash until the property is sold. The presence of the debt might also expose the Foundation to UBIT on a portion of the income produced by the property.

Consequently, as a general rule, the Foundation will accept property that is subject to any judgments, taxes, mechanic's or other liens, mortgages, deeds of trust, unpaid taxes or assessments only in exceptional circumstances and only with advice from the Foundation's legal counsel. An exception may be made only if the evaluation convincingly demonstrates that the property can be sold at a price which will be substantially in excess of the aggregate amount of the encumbrances and any costs associated with satisfying them, and the Gift Acceptance Committee is satisfied the Foundation will have no obligation for any debts or costs associated with the property.

If the property produces income, the Foundation must consider the amount of income it expects to receive in relation to the ongoing costs associated with the encumbrance(s). If the property does not generate income, the encumbrance can be a greater problem. The Foundation may consider the gift if the donor is willing to agree to make whatever payments are necessary until the property is sold.

If the property is subject to any encumbrance, the Foundation will evaluate the gift as a bargain sale (i.e., an arrangement whereby the donor offers to sell property to the Foundation for an amount less than its current fair market value).

Nature/Condition of the Property

If the proposed gift is commercial property, the Foundation will consider the nature and impact on the Foundation of the commercial activity. The Foundation may collect rent but cannot operate a business without incurring UBIT. Evaluation of a proposed gift of commercial real estate will require a greater degree of business analysis. Senior Staff should undertake a careful review of the company's financial statements, history of management, and the business risks associated with owning and operating or managing the

business.

The Foundation will examine the condition of the property to determine whether any repairs will need to be made before the property can be sold and the extent and cost of such repairs.

If the proposed gift consists of raw land, zoning issues and the challenges of marketing and developing the property may make it difficult for the Foundation to realize the inherent benefits without becoming a dealer of real estate. Also, the Foundation may be concerned about the impact of the development on the general environment and on its reputation as a good citizen.

If the gift will include any personal property and/or fixtures, the Foundation will need to evaluate the nature, condition and costs associated with that property as well.

Marketability

As a general rule, the Foundation will accept real estate only if it is readily marketable, and there is a reasonable certainty that it can be sold within a reasonable period of time. Whenever practicable, the Foundation will make arrangements to have a realtor analyze the property to evaluate the existence of a market for the property. The Foundation will also determine whether the sale or use of the property is subject to any material restrictions that would affect its marketability.

If the property is not readily marketable, the Foundation must consider whether it has the desire and ability to manage the property for the length of time necessary to consummate a sale. The Foundation will also evaluate the cost of holding and/or improving the property against the cost of liquidating the property immediately.

Carrying Costs

Senior Staff will prepare a budget outlining all projected expenses associated with accepting and holding the real estate. If the carrying costs associated with the property are significant, the Foundation should consider declining the gift. For example, if the property is in poor condition and will require substantial expenditures to rehabilitate it for sale, those expenditures create a net drain on the Foundation's resources if the donor is not willing to cover them.

In most cases, the Foundation will require the donor to agree to pay all expenses associated with holding the property (including taxes, assessments, insurance coverage and maintenance costs) until the property is sold.

Location

The location of the property may also be an important consideration. If the property is in a location remote from the Foundation's office, it

may be impossible to manage it without professional assistance and expenditure of money and time. The Foundation will not accept property located outside the United States, absent special circumstances.

Environmental Hazards

Because of currently applicable federal and state laws, the Foundation is highly sensitive to the potential liability for environmental cleanup and toxic and hazardous waste issues related to ownership of real property. Because of potential liability, it is important that the Foundation take appropriate measures to protect the Foundation and its assets from that liability.

The Foundation will not accept a property if there is a likelihood that any liability for environmental problems could attach to the Foundation as a result of taking title. To ensure that the property is free of contamination and environmental hazards, the Foundation will in all cases require the donor to obtain (at donor's expense) an appropriate environmental assessment of the property (as described more fully below in Item 4: Environmental Assessments under RESPONSIBILITIES OF DONOR), as well as written certification from the donor regarding the environmental status of the property (in substantially the same form as Appendix E).

Wetlands

The Foundation will make the necessary inquiries to determine whether the real property has been classified, or contains within its boundaries any property that has been classified, as "wetlands." If so, the Foundation will consult with appropriate real estate professionals to determine what effect, if any, such classification may have on the value or marketability of the property.

Value of the Gift

the Foundation will accept the property only if it has significant value in relation to the costs of holding and selling the property and any liabilities or exposure in connection with its ownership. Unencumbered real property will be accepted at fair market value as determined by at least one independent appraisal. The Foundation will not establish or corroborate the value of the real property for purposes of substantiating the donor's income or estate tax charitable deduction.

Deferred Gifts

Donors will be encouraged to discuss with Foundation staff any contemplated bequests or other deferred gifts of real estate prior to finalizing their wills or trusts. Real property that is bequeathed to the Foundation will be evaluated prior to its acceptance in accordance with these Policies and Guidelines in the same manner as an inter-vivos gift.

Upon notification that the Foundation has been named to receive a gift

under a will that has been admitted to probate or under a trust arrangement, the Foundation will contact the executor, trustee or other legal representative of the estate or trust to determine whether the gift will include any real property. If the Foundation will or may receive real estate in satisfaction of the gift, the Foundation will ask the executor, trustee or other legal representative to conduct an environmental study and fulfill all other responsibilities the Foundation would require of a donor in connection with an inter-vivos gift. If the executor, trustee or other legal representative will not accept those responsibilities, the Foundation may decline the gift.

RESPONSIBILITIES OF DONOR

In connection with any gift of real estate to the Foundation, the donor must be willing to assume the following responsibilities:

1. Payment of Costs: The donor must agree to be responsible for payment of all costs associated with making a gift of real estate and to reimburse the Foundation for all expenses incurred in accepting, holding and liquidating the real estate until it is sold. Such expenses may include, but may not be limited to, attorneys' fees, finder's or brokerage fees, realtor commissions, taxes associated with depreciation recapture, property taxes and assessments, income taxes, appraisal fees, management fees, and the costs of environmental evaluations and other inspections, title search and title insurance, surveys, wood destroying organisms inspections and reports, insurance premiums, grounds keepers' fees, utilities, property maintenance and other operating expenses.

Before the Foundation accepts any gift of real property, the Foundation and the donor must enter into a written agreement setting forth the arrangements for paying the expenses incurred before the gift and during the period the Foundation owns the gift. The expenses may be paid directly by the donor or may be netted from the proceeds of the gift in the donor's charitable fund. In general, the Foundation will not make advance payment of such expenses. Except in extraordinary circumstances, the Foundation will not pay for legal assistance, appraisals or other services on behalf of the donor.

2. Information about the Property. The donor will be required to provide, at the earliest opportunity, the information and documentation concerning the property identified in the Real Property Disclosure Checklist (Appendix C) and Documentation Checklist for Gifts of Real Estate (Appendix D). The donor must obtain all required items and provide them to the Foundation at the donor's expense. In addition, the donor will be asked to make certain representations and warranties about title, use, condition and other matters related to the property.

3. Appraisal(s): The Foundation requires at least one appraisal (MAI, FHA or equivalent) of the property by an independent qualified appraiser performed

according to IRS guidelines for valuation of a gift for tax purposes. In most cases, a single appraisal will be adequate; however, a second appraisal may be required if necessary to resolve any question of conflict of interest that may arise.

The donor will be responsible for obtaining and paying for the required appraisal(s). The Foundation may assist the donor by providing a list of local appraisers as a resource, but the list should not be construed as a recommendation or endorsement of the qualifications of any of the appraisers listed.

4. Environmental Assessments: The donor must engage (at donor's expense) a qualified environmental consultant acceptable to the Foundation to perform the required environmental assessment(s). The Foundation may accept an assessment dated within the prior six months if donor also provides written representations that nothing has changed in the interim since the date of the assessment or provides a letter from the consultant or engineer who conducted the existing assessment agreeing to extend liability coverage to the Foundation for a period of time.

If the proposed gift is residential real estate, the Foundation may accept a transactional screening in lieu of a Phase 1 Environmental Assessment so long as the transactional screening does not disclose any potential environmental problems. In every case, the donor must also provide written certification regarding the environmental status of the property (in substantially the same form as Appendix E)

If a Phase One Environmental Assessment is required, it should include:

- (1) Review of Regulatory Agency Records: EPA-NPL Site List, EPA-CERCLIS Site List, EPA-RCRA Generator Site List, EPA-RCRA-TSD Site List, State DEP Hazardous Waste List, State DEP Land Fill List, State EEP Leaking UST List, State DEP Registered UST List, and EOA-ERNS.
- (2) Review of Physical Settings: Site observations, building observations, adjacent site reconnaissance, USGS Topographical Map, USDA Soil Survey, State or USGS Groundwater Map, USDI Wetlands Map, Aerial Photographs, and building or site plans.
- (3) Review of ownership history: Tax assessment records, chain of title review, and interviews with previous and current owners.
- (4) Review of occupancy history: Historical city directories, Building Department records, and interviews with previous and current occupants.
- (5) Review of fire insurance maps, and adjacent site reconnaissance, and an interview with the local fire department.
- (6) Additional testing, if indicated: Asbestos-containing materials, radon

gas, lead-based paint and lead in drinking water.

The donor will report the results of the Phase One Environmental Assessment to Senior Staff and, depending on the staff's level of concern about potential environmental issues, to the Gift Acceptance Committee. If any part of the Phase One Environmental Assessment is not satisfactory, the Foundation, in its sole discretion, may require the donor to have performed such further environmental assessments or remediation as Senior Staff deems necessary or prudent.

If the environmental assessment(s) indicate the existence of an environmental problem that could create a potential liability for the Foundation, the Foundation will decline to accept the gift.

5. Evidence of Clear Title: The donor will be responsible for furnishing evidence of title showing that the property is owned free and clear, except for current real estate taxes and any restrictions of record that would not create an undue or unacceptable economic burden on the Foundation. Generally, the Foundation will require donor to provide a title insurance policy and survey at closing.

6. Transfer Instruments: The donor must deliver a signed, recordable General Warranty Deed and any other instruments necessary to transfer the property to the Foundation. In certain circumstances, the Foundation will accept a Special Warranty Deed. All such deeds and other transfer documents must be reviewed by the Foundation's legal counsel prior to acceptance of the gift.

7. Fund Agreements. Prior to or upon the transfer of title to the Foundation, the donor and the Foundation will sign a standard Fund Agreement (or other form of Fund Agreement that has been approved by legal counsel to the Foundation) stating the terms of the gift and specifying that there are no material restrictions on the Foundation's right to use or convey the property.

If the donor intends to make any gifts of tangible personal property associated with the real property, the gifts of personal property must be segregated into a separate gift transaction.

8. Representation and Indemnification Agreement: The Foundation will require the donor to deliver a signed representation and indemnification agreement in substantially the same form as that attached as Appendix E. The purpose of the agreement is to protect the Foundation and its assets from potential liability associated with accepting the real property.

9. Tax Returns. The donor will be responsible for preparation and filing of all tax returns required to be filed in connection with the gift. The Foundation will not establish or corroborate the value of any gift for the purpose of substantiating the donor's income or estate tax charitable deduction. The

donor will be required to file an IRS Form 8283 with the donor's tax return. The donor will deliver to the Foundation a completed Form 8283 (signed by the donor and the appraiser) to be signed by the Foundation.

DISPOSITION OF THE PROPERTY

After the Foundation accepts a gift of real estate, Senior Staff will make arrangements to sell the property through a qualified real estate professional. The Foundation cannot be legally obligated to make a particular disposition of the property after receiving the gift and cannot agree to retain the property for a specific period of time.

As a general rule, the Foundation will sell the property as quickly as possible after the gift is made. The Foundation has total discretion regarding when to sell the property and at what price. However, the Foundation will consider its investments objectives and fiduciary responsibilities before selling the property. For example, if the Foundation has an obligation to make cash payments to the donor or another party under the terms of the Fund Agreement or other instrument establishing the gift of real property and the property is producing income, the Foundation may elect to hold the property and use that income to fund its payment obligation.

The Foundation also will attempt to avoid selling the property at a distressed price. A quick distress sale may jeopardize the donor's charitable contribution deduction. It may also negatively impact market values, which could generate ill will among other property owners in the area.

If the property is to be sold, the Foundation will list it with a broker who has experience selling comparable properties in the same geographic area. The listing agreement should provide that the commissions are payable only upon closing of the escrow. All sales should be on an "as-is" basis, with a release (and indemnification if possible) of the Foundation for claims related to hazardous substances and the physical condition of the property.

While it is expected that in most circumstances the sale price will equal or exceed the appraised value, the terms of sale will take into account current market conditions, availability of financing and other relevant factors. Any offer that is less than 70 percent of the appraised value must be approved by the Gift Acceptance Committee.

If the property is to be held, the Foundation will appoint a property manager. The property manager will be authorized to execute documents, approve nonmaterial expenditures, collect rents, etc.

If the Foundation sells the property within two years of the date of the gift, the Foundation will be required to report the actual sales proceeds to the IRS on Form 8282 (Donor Information Return).

The proceeds from the sale of the real property (net of expenses of sale) may be used to establish a named endowment fund or added to an existing fund at the Foundation. Standard Foundation administration fees will be assessed and netted from the sales proceeds.

Gift Involving a Life Estate

The Foundation may accept a gift of a personal residence, vacation home, farm or ranch in which the donor retains the right to occupy the property until death of the donor. During the donor's lifetime, the donor may specify the use of any proceeds from the property. Upon the donor's death, the Foundation will own the entire interest in the property.

In deciding whether to accept a gift of a remainder interest, the Foundation will follow the Policies and Guidelines for accepting a gift of real property. In addition, the Foundation will consider, among other things, the following factors:

1. Value of the gift. The Foundation will calculate the value of the gift at the time it is made. The value of the gift will be the appraised fair market value of the real estate, less the value of the donor's life estate, calculated using applicable IRS actuarial tables and guidelines. The donor will be responsible for obtaining the required appraisal.
2. Age of the Donor. As a general rule, the Foundation will accept a gift of a life tenancy only if the life beneficiary is age 65 or older.
3. Use of the Property. The Foundation will take into consideration the potential use of the property during the life tenancy in order to avoid accepting any property that might create liability for the Foundation in future years.
4. The Remainder Interest. As a general rule, the Foundation will accept a gift of the remainder interest following a life tenancy only if at least 50% of the remainder interest is committed to the Foundation for endowment purposes (i.e., permanent unrestricted or field of interest funds).
5. Disposition of the Property. As a general rule, there should be an expectation that the property can be sold within a reasonable time after the donor's death.
6. Requirements of Local Law. The Foundation must consider any legal requirements governing life tenancies under the laws of the state where the property is located.
7. Costs and Expenses. The donor must agree to be responsible for making appropriate repairs, maintaining the property and paying all expenses related to the property (including but not limited to property insurance, taxes, repairs and maintenance) during the donor's occupancy of the property. Following the donor's death, the donor's estate will be required to pay for the appraisal of the property and all transfer fees and other costs.

When the Foundation receives notification of death from the legal representative of the estate of the donor, Senior Staff shall immediately research applicable state law and expeditiously communicate the terms of these Policies and Guidelines to such legal representative or such other party as may be required by applicable law. The Foundation will then determine whether to accept full title to the property using the same Guidelines specified above with respect to outright gifts of real estate.

GIFTS OF INTANGIBLE PROPERTY

The Foundation will consider accepting gifts of intangible property such as mortgages and notes. Unless the mortgage or loan is adequately secured, the Foundation will in most cases not be able to accept the gift.

Value of the Gift In most cases, a qualified appraiser will determine the value of the asset, taking into account the unpaid principal amount, the interest rate payable on the note or mortgage and the then-current interest rates. The unpaid value will be considered the fair market value in many instances, but if current interest rates differ widely from the rate payable under the terms of the loan, the value may have to be adjusted to take into account the yield on investment an informed buyer would expect to receive.

Donor's Responsibilities Before the Foundation may accept a gift of a mortgage secured by real estate, the Donor will be required to obtain and provide an acceptable environmental assessment of the underlying real estate.

The donor will be responsible for payment of all capital gains or other taxes that may become due when the gift is made. For example, if the loan is a purchase money encumbrance, the donor may owe capital gains tax when the gift is made.

GIFTS OF OTHER NON-LIQUID ASSETS

The Foundation will accept gifts of non-liquid assets only if there is a reasonable certainty that (i) such assets can be liquidated within a reasonable period of time and (ii) the expenses that will be incurred while holding the asset (e.g., insurance) will be minimal. All expenses incurred and the standard administrative fees normally charged pursuant to the Foundation's existing fee schedule will be netted from the sales proceeds.

GIFTS OF MINERAL RIGHTS

The Foundation may accept gifts of mineral rights and will value such gifts under applicable Treasury Regulations, as applied by appraisers who are experts in this field. Special attention will be given to depletion allowance and reserves in written agreements with the donor.

GIFTS OF TANGIBLE PERSONAL PROPERTY NOT FOR FOUNDATION USE

The Foundation may accept tangible personal property unrelated to the Foundation's charitable purposes, such as boats, airplanes, automobiles, artwork, furniture, equipment, collectibles, jewelry, gems and metals. Senior Staff, with advice from legal counsel as appropriate, will review the condition and marketability of the proposed gift and will consider the carrying costs and staff time that would be associated with owning and selling the property. The property must be saleable, and the donor must agree that the Foundation may sell the property after the gift is made.

- Value of Gift** Establishing the value of the gift is the donor's responsibility. The donor and the Foundation must comply with applicable Treasury Regulations for obtaining and reporting qualified appraisals. If the value of the tangible personal property exceeds \$5,000, the donor will be required to have a qualified appraisal performed (at donor's expense) and to submit it on IRS Form 8283.
- Disposition** The Foundation will make no commitment to keep gifts of personal property for a specific period of time or in perpetuity. Doing so may have a negative impact on the appraised value and marketability of the property.

The Foundation will sell personal property as soon as possible after conveyance at the highest price possible. The Foundation will discourage gifts of personal property that cannot be sold readily or that will require payment of unusual or excessive expenses prior to sale. If a lengthy holding period is expected, the Foundation may ask the donor to agree to cover expenses related to holding the gift prior to sale by making a cash gift.

If the Foundation sells the asset within two years, the Foundation must file IRS Form 8282 informing the donor and the IRS of the sale price of the property.

- Special Assets** Artwork: The Foundation generally will accept a gift of art. However, the Foundation will make the final decision as to whether to put it to a related use.

Automobiles and other Vehicles: In deciding whether to accept a gift of an automobile or other vehicle, the Foundation will consider the vehicle's marketability, the expected time it will take to sell it, and the carrying costs (e.g., insurance, storage, advertising) that are expected until it is sold.

The donor's deduction for the gift will be limited to his or her cost basis. The donor is responsible for obtaining any required appraisal.

GIFTS OF ROYALTIES AND DISTRIBUTION RIGHTS

The Foundation may accept gifts of royalties or distribution rights on published works (such as books or films) where there is clear evidence of marketability or assurance of an income stream. The donor will be required to obtain and provide to the Foundation a qualified appraisal, at donor's expense.

GIFTS OF RETIREMENT ACCOUNTS

The Foundation may accept gifts of "account" type retirement plans in which a balance accumulates as principal (including Individual Retirement Accounts (IRA's), 401(k) plans, 403(b) plans and defined contribution plans). Generally, "annuity" type accounts (such as defined benefit plans in which retirement benefits are paid out as income and principal does not accumulate) cannot be used for charitable gifts.

Donors should be encouraged to consider naming the Foundation as a beneficiary of their retirement plans. However, the Foundation cannot record the gift unless it is or until it becomes irrevocable.

A donor may make a gift of retirement assets in a number of ways. For example, the donor may name the Foundation as a successor or contingent beneficiary for all or part of the assets upon the death of the donor or donor's spouse. The donor may create a testamentary charitable remainder trust with the assets upon the death of the donor, naming the Foundation as remainder beneficiary and non-charitable heirs as income beneficiaries.

The income tax consequences related to deferred retirement plans are very complex. In discussing a gift of such assets, it is very important that the donor consult his or her Professional Advisor(s) regarding the tax issues before a gift is made.

BARGAIN SALES OF REAL OR PERSONAL PROPERTY

The Foundation may purchase property on a bargain sale basis. The Foundation will evaluate the acceptability of the gift asset, in consultation with legal counsel, using the same Guidelines outlined above for outright gifts.

A "bargain sale" is a sale of property to the Foundation for an amount less than the property's current fair market value. The excess of the value over the sales price represents a contribution to the Foundation. Gifts in the form of a bargain sale must be appraised by an independent appraiser (MAI, FHA or equivalent), at the expense of the donor. The amount of the allowable deduction for a bargain sale will be subject to the rules of the IRS related to such sales.

The asset must be readily marketable within a reasonable period of time or be of reasonable current use to the Foundation. The minimum asset valuations should be \$50,000, net of the Foundation's investment, which will be limited to no more than 25% of the fair market value of the property.

CHARITABLE GIFT ANNUITIES

Under a charitable gift annuity, a donor irrevocably transfers property to the Foundation in exchange for a commitment by the Foundation to pay the donor (or other beneficiaries designated by the donor) a fixed amount each year for the life or lives of the designated beneficiaries. The amount of the payment depends upon the age of the donor and the size of the gift. The annuity payments may commence immediately or may be deferred to a later date specified by the donor.

The Foundation's obligation to make the annuity payments is considered a general obligation of the Foundation. Unlike charitable remainder trusts, the assets are not held in a separate trust. Because all of the Foundation's assets are potentially available for meeting the obligation, the Foundation will exercise caution in agreeing to such an obligation.

The Board from time to time may establish a limit on the aggregate dollar amount of annuities for which the Foundation may become obligated. Therefore, no gift may be accepted which would cause the then-existing limit to be exceeded without the prior approval of the Board, regardless of how the annuity might be funded.

As a general rule, the Foundation will consider entering into an agreement with the donor for issuance of a charitable gift annuity only if all of the following requirements are met:

- (1) The income beneficiary or beneficiaries must be 60 years of age or older at the date of the annuity agreement;
- (2) The annuity agreement will provide for income payments to no more than two life beneficiaries (the annuitant and one other beneficiary, usually the beneficiary's spouse);
- (3) The minimum gift amount for an annuity agreement is \$10,000;
- (4) The donor must agree to pay all expenses incurred in connection with issuance of the annuity, including but not limited to any documentary stamp tax imposed on the actuarial value of the annuity;
- (5) The Foundation will not exceed the uniform annuity rates recommended by the American Council on Gift Annuities;
- (6) The gift annuity remainder interest must remain at the Foundation to create an endowed named fund (if the required minimum amount is met) or to be added to the Foundation's unrestricted funds or to the donor's choice of field of interest funds; and
- (7) The gift annuity is funded with a gift of cash, readily marketable securities or mutual funds.

If the gift annuity is funded with stock, it is important to be careful about planning the date of the gift, as the value of the stock may change between date of transfer and date of sale and thus affect the annual annuity amount. The Foundation should not sell the stock until there is a written agreement on the terms of the gift, including the annuity amount. The Foundation may employ agents and advisors to facilitate the investment of annuity assets.

Donors may request that, upon termination of the income interest, the remaining assets will create a named fund for specific charitable purposes. If the donor does not provide such instructions during the donor's lifetime, or if the market value of the annuity is less than

\$15,000, it will be used for the unrestricted purposes of the Foundation.

The Foundation will be required to pay documentary stamp taxes on all charitable gift annuities it issues. The tax will be based on the actuarial value of the annuity to the donor at the time of the gift. The donor has the option of making an additional gift to the Foundation in the amount of the tax, or allowing the Foundation to deduct the amount of the tax from the donor's fund.

The Foundation will provide to the donor all disclosures that may be required under applicable state and federal laws and regulations governing charitable gift annuities.

GIFTS TO POOLED INCOME FUND

The Foundation may not accept a gift to the Foundation's pooled income fund without review by the Gift Acceptance Committee if the gift is an asset other than cash or publicly-traded securities. Any such asset will be evaluated in accordance with the Guidelines specified for the acceptance of an outright gift of that type of asset.

Last revised 12/6/2011

SCHEDULE OF DEFINITIONS

“Board” means the Board of Trustees of The Community Foundation for Northeast Florida, Inc., as such Board may be constituted from time to time.

“Excess Business Holdings” – see Council on Foundations reprint following definitions page.

“Foundation” means The Community Foundation for Northeast Florida, Inc., a not-for-profit corporation organized under the laws of the State of Florida, also known as and doing business as Jacksonville Community Foundation.

“Fund Agreement” means a written agreement signed by the donor (or a representative designated in writing by the donor) to document a current or deferred gift to establish or add to a fund at the Foundation and setting forth the purpose of and any directions for administering such fund. The agreement may also be signed by an officer of the Foundation, if appropriate.

“Guidelines” means the Guidelines for Acceptance of Gifts that are a part of these Policies.

“IRS” means the Internal Revenue Service of the United States.

“IRC” means the Internal Revenue Code of 1986, as now or hereafter amended.

“Issuer” means the entity that has issued shares of stock or partnership shares representing an ownership interest in such entity.

“Non-Public Securities” means any or all of the following: (i) shares of stock issued by a for-profit corporation (including any corporation that has elected Subchapter S status under the IRC or a limited liability company), (ii) an ownership interest in a limited partnership (including a family limited partnership or limited liability partnership), or (iii) an ownership interest in any other entity created under the laws of any state, which entity has as one of its characteristics the limited liability of its owners, and which stock, partnership interest or other ownership interest is not registered, traded or quoted on the NYSE, NASDAQ or any other stock exchange or quotation system.

“Policies” means the Gift Acceptance Policies and Guidelines for the evaluation and acceptance of gifts to the Foundation, as adopted and amended by the Board from time to time.

“Professional Advisor” means any attorney, accountant, investment advisor, broker, insurance agent, estate planner or other advisor who has been engaged (i) by a donor or potential donor to provide professional advice in connection with tax, estate or other financial planning for the donor or potential donor, or (ii) to provide professional advice to the Foundation in connection with a proposed gift.

“Senior Staff” means the Foundation’s President, Executive Vice President, any Vice President, and Gift Planning Officer and any other staff member so designated in writing by the President.

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The foregoing Gift Acceptance Policies and Guidelines were approved at a meeting of the Board of Trustees on October 17, 2000, amended on October 30, 2012, and amended on March 8, 2024.

Signatures:



John Zell, Secretary



Date