



## Gift Acceptance Policy

---

### Purpose

The purpose of these fund and gift acceptance policies is to provide guidelines for negotiating and accepting various types of gifts for different types of funds.

Additionally, this policy is intended to establish administrative processes to accept and administer gifts in a prudent and efficient manner, consistent with the board's fiduciary responsibilities and the donor's goals and interests.

### Scope

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

### Ethical Standards in Dealing with Donors/Donors Bill of Rights

Every person acting for or on the Foundation's behalf shall adhere to those standards set forth in *A Donor Bill of Rights* and the *Model Standards of Practice for the Charitable Gift Planner*:

[http://www.afpnet.org/files/ContentDocuments/Donor\\_Bill\\_of\\_Rights.pdf](http://www.afpnet.org/files/ContentDocuments/Donor_Bill_of_Rights.pdf),

[http://www.pppnet.org/ethics/model\\_standards.html](http://www.pppnet.org/ethics/model_standards.html)

### Donor's Bill of Rights

- 1) To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- 2) To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- 3) To have access to the organization's most recent financial statements.
- 4) To be assured their gifts will be used for the purposes for which they were given.
- 5) To receive appropriate acknowledgement and recognition.
- 6) To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- 7) To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- 8) To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- 9) To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- 10) To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

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

**In addition, all donors will be strongly encouraged to discuss their gifts with their own financial and tax advisors before signing any gift agreement.** The role of the Foundation's staff is to inform, guide, and assist the donor in fulfilling his or her philanthropic goals, without pressure or undue influence, and Foundation staff cannot be relied upon for tax or legal advice.

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

## Funds

The Foundation offers several different types of funds. Each Fund can be established as a pass-through fund or an endowed fund. These include:

Agency Endowments... These funds are created by charitable organizations that designate themselves as the fund's beneficiary. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund.

Corporate Funds... A corporate fund can be structured to meet the charitable and employee-involvement goals of your company. These funds are a convenient, flexible way for companies to invest in the communities they and their employees care about most. Our staff will work with your company to develop a customized, tax-effective corporate philanthropy program focused on making a measurable impact.

Donor Advised Funds... A donor advised fund is the most popular and versatile type of fund offered by the Foundation. It is similar to a private foundation, but without all the administrative duties, public exposure, payout requirements, and expense of a private foundation. Every donor has unique charitable interests. A donor advised fund allows you to be directly

involved and recommend the amount and timing of grants to the charitable organizations of your choice.

Designated Funds... These funds support a charitable organization designated by the fund's donor or donors. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund.

Field of Interest Funds... These funds support a charitable purpose designated by the fund's donor or donors. Distributions are determined by the Foundation consistent with the fund's purposes. Where appropriate, the Foundation may create an advisory committee to make recommendations for distributions.

Scholarship Funds... These funds provide financial assistance to students at schools, colleges, and universities. Scholarship funds can also support vocational training and assistance in paying for special courses. Donors recommend eligibility criteria and may serve on selection committees.

Unrestricted Funds... Gifts to these funds help the Foundation help our community. The Foundation makes distributions to support effective work of charitable organizations throughout the area we serve.

Unrestricted Endowment Fund... This fund is a permanent fund of the Foundation. A portion of the income from the endowment is used to make grants back to the community.

Fund for the Foundation... This fund is used to provide operating support for the Foundation.

## **Variance Power**

Sometimes a fund just doesn't work anymore. Scientists discover a cure for polio, and an endowed charitable organization with a mission to fund research to cure polio goes out of existence. The Foundation has the ability to address these situations through its variance power, which it has by law. This power gives the Foundation's board the ability to make changes to a fund's grant activity and structure when its purpose is no longer relevant, is

illegal or inconsistent with societal changes, can no longer be fulfilled, or has become inconsistent with the charitable needs of the community. This power to update funds helps protect donors by avoiding the need for complex and costly legal proceedings, and assures assets will be put to productive use in perpetuity.

As required by regulations promulgated pursuant to the Internal Revenue Code of 1986, as amended, the Foundation can modify or vary any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations. However, the Community Foundation does not anticipate exercising such authority unless, in the sole judgment of the Board of Trustees (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

## **Types of gifts & assets**

### **Pledges/Gift Intentions**

Pledges are commitments made to ECCF to give a specific dollar amount according to a fixed time schedule. All pledges of \$5,000 or more are required to be in writing. The intention of ECCF to accept a pledge or gift intention is for the purpose of recording a gift, scheduling payment, billing accurately, and when appropriate – counting the pledge or intention toward a campaign goal.

The following minimum conditions govern the establishment and treatment of a pledge/gift intention:

- 1) The amount of the pledge must be clearly specified.
- 2) A clearly defined payment and billing reminder schedule should be established.
- 3) The donor must not prescribe unreasonable contingencies or conditions.

- 4) The donor must be considered financially capable of making the gift.
- 5) Changes to original pledges must be documented in writing.

A written pledge, once executed, is a legal obligation and the receiving institution will often make programmatic or capital commitments in reliance on its terms. Donors should enter into a pledge agreement only for terms and amounts they are confident are capable of fulfillment.

## Cash

The Foundation accepts gifts of cash

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

## Publicly-Traded Securities

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

*Appraisal.* No appraisal is required so long as the stock or bond is not subject to any restrictions, including those imposed by contract or the Securities Exchange Commission.

## Real Estate

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

Gifts of real property must be reviewed by the Finance Committee. Subject to the Committee's approval, the Foundation may accept gifts of real property to any fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. In deciding whether to accept real property gifts the Foundation will take the following steps, inter alia:

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

*Appraisal.* Each gift of real property giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law.

The donor will be responsible for obtaining such appraisal. This appraisal will be reviewed the ECCF Finance Committee.

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

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

*Procedures for Accepting Gifts of Real Property.* Donors will provide the information and documents requested in the Real Property Donation Checklist and the Real Property Inquiry Form at the earliest possible time when considering a donation. No real property gift offer may be accepted without completion of all specified steps and approval of the Finance Committee of the Foundation. Copies of those forms are appended to this policy. The Foundation may request additional information or documents when necessary to its evaluation of the proposed gift.

Whenever possible, a member of the Foundation staff or an authorized representative will visit the property to determine its nature and type and to identify any potential problems not evident from information supplied by the donor that might hinder or prevent the foundation's sale of the property. Gifts of real property are often highly complex and affected by many factors external to the property and donor. There can be no assurance that a gift of real property will be accepted by the Foundation, even when the conditions of the donation checklist are met.

*Environmental Assessment.* Donors will provide at least a Phase I Environmental Report with disclosure of any environmental problems or statement that none exists.

## **Closely-Held Stock and S Corporation Stock.**

*General.* Gifts of closely-held and S corporation stock must be reviewed by the Finance Committee. Subject to the Committee's approval, the Foundation may accept gifts of closely-held or S corporation stock in any amount to any existing fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. The Foundation may accept gifts of stock in closely-held or S corporation that



generate unrelated business income only if certain agreements are reached with the donor and/or the corporation. These include an agreement by the donor that the taxes on the unrelated business income and the Foundation's associated administrative expenses (e.g., accounting and tax return preparation) will be charged against the fund holding the contributed stock. Further, the donor should agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses to the extent there is insufficient cash in the subject fund balance to cover such taxes and expenses.

*Appraisal.* Each gift of closely-held or S corporation stock giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal in a form and substance acceptable to the Foundation.

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

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

*Procedures for Accepting Gifts of Closely-Held or S Corporation Stock.* The following procedures apply to all proposed gifts of S corporation stock:

- The Foundation will review corporate governing documents to determine the rights and obligations associated with the stock and whether or not the Foundation should undertake such obligations in light of such rights.
- The Foundation will review the corporation's most recent tax returns and the donor's most recent K-1 to determine the nature of the income associated with the stock (e.g., unrelated business income, active versus passive business).
- All proposed transfer documents must conform to the Foundation's form or be approved by the Foundation's counsel.
- As a condition for the Foundation's acceptance of the gift, a written agreement between the donor and the Foundation should be in place that provides for the payment of administrative

expenses and unrelated business income taxes generated by the stock to the extent there is insufficient cash in the fund to which the stock has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Foundation against all liabilities incurred by the donor on account of the stock up to the date of the gift.

- The donor shall provide the Foundation with all documents which outline, discuss or relate to the duties and liabilities which shareholders have, including Shareholder Agreements. Because the gift transfers ownership irrevocably to the Foundation, the donor may not exercise any influence over the decisions or actions of the Foundation with respect to the gifted property.

### **Limited Partnership Interests.**

*General.* Gifts of limited partnership interests must be reviewed by the Finance Committee. Subject to the Committee's approval, the Foundation may accept gifts of limited partnership interests in any amount to any existing fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. The Foundation will, as a matter of course, screen gifts of limited partnership interests to ensure that they place no undue risk or obligation upon the Foundation.

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

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

insufficient cash in the subject fund balance to cover such taxes and expenses.

*Appraisal.* Each gift of limited partnership interest must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal. This Finance Committee will review this appraisal and other materials and factors to reach a recommendation to accept or reject said gift.

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

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

*Procedures for Accepting Limited Partnership Interests.* The following procedures apply to all proposed gifts of limited partnership interests:

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

interest has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Foundation against all liabilities incurred by the donor on account of the limited partnership interest up to the date of the gift.

## **Limited Liability Company Interests**

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

## **Tangible Personal Property**

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

*Appraisal.* Each gift of personal tangible property for which the donor expects a charitable deduction exceeding \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining and paying for such appraisal. The Finance Committee will review this appraisal in conjunction with other materials and factors to make a recommendation to accept or decline such gift.

*Procedures for Accepting Personal Tangible Property.* The following procedures apply to all proposed gifts of personal tangible property:

- The Foundation will review all prior appraisals and authentication documents, if any, relating to the property.
- If the property is to be sold, the Foundation will ascertain the market for such property and estimate the costs to be incurred in connection with the sale, as well as the costs of holding the property prior to sale.

- All costs incurred by the Foundation in connection with the holding and sale of the property shall be charged against the sale proceeds, with the balance being credited to the fund to which the property has been contributed.

## Life Insurance

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

*Appraisal.* Each gift of a life insurance policy giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The Finance Committee will review this appraisal, in conjunction with other materials and factors to make a recommendation to accept or reject said gift.

## Cryptocurrencies

- *General.* The Foundation accepts gifts of cryptocurrencies. Cryptocurrencies contributed to the Foundation will be redeemed or sold as soon as practicable in the sole judgment of the Foundation. All proceeds from such redemption or sale less commissions and expenses are then credited to the component fund. However, gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. The Foundation may accept gifts of cryptocurrencies in any amount to any existing fund. All costs incurred by the Foundation in connection with the holding and sale of the cryptocurrencies shall be charged against the sale proceeds, with the balance being credited to the fund to which the cryptocurrency has been contributed

*Appraisal* Each gift of real property giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.

## **DEFERRED GIFTS & PLANNED GIVING**

These are gifts whose benefit does not fully accrue to the Foundation until some future time, or whose benefits are split with non-charitable beneficiaries. Foundation representatives are authorized to solicit direct charitable gifts through wills, as well as contributions to establish gift annuities or charitable trusts. The Foundation will work closely with donors and confer with financial advisors, at the request of the donors, to realize these gifts. In cases where the gifts are complex, the President/CEO may request review by the Finance Committee and/or third-party experts in such matters.

### Bequests

The Foundation may, in its sole discretion, accept bequests from donors who have directed in their wills that certain assets be transferred to the Foundation. Sample bequest language for restricted and unrestricted gifts is available from the Foundation, to donors and/or advisors, upon request. The Foundation may not be named as Executor for a donor in his/her will and will not serve if named. The Foundation may create a named fund in memory of the donor if requested or in its discretion if there is no stipulation for anonymity.

### Retirement Plans or IRA Accounts

Donors may make lifetime gifts of retirement assets or name the Foundation as the beneficiary of their plan. Retirement plans include, but are not limited to, Individual Retirement Accounts (IRA), 401(k), 403(b), and defined contribution plans and are subject to ERISA and other regulations that may affect the timing, value, and advisability of such gifts

### Life Income Gifts

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

- **CHARITABLE REMAINDER TRUSTS (CRT).** This trust makes payments to one or more beneficiaries for their lifetimes, or for a fixed term, or a combination of both. Assets are put into a trust, beneficiaries are paid, and when the trust term ends, the remainder in the trust passes to the Foundation for its charitable purposes. The donor names a Trustee to manage the trust and determines whether the payout will be fixed (a charitable remainder annuity trust (CRAT)) or variable (a charitable remainder unitrust (CRUT)). Trusts can be set up during the donor's lifetime or by will. The Foundation encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust. At the donor's request, the Foundation will confer with the donor advisors to assist in establishing the trust from which the Foundation will ultimately benefit. The Foundation may serve as Trustee of the trust in certain circumstances.
- **CHARITABLE LEAD TRUST (CLT).** This trust first makes distributions to the Foundation for a specified period, with the remainder reverting to the donor or another beneficiary at the end of the period. It may be set up during one's lifetime or in a will. The Foundation will work closely with the donor and/or the donor's advisor to create the trust, but will not serve as Trustee.
- **CHARITABLE GIFT ANNUITY (CGA).** This planned gift is based on a gift of cash or securities in exchange for lifetime income, either immediate or deferred, to the donor. It is a contract between the donor and the Foundation and is backed by our total assets. The gift is in part a charitable gift and may involve in whole or in part the purchase of an annuity.

- **LIFE ESTATE.** A donor may wish to contribute a personal residence or farm to the Foundation and retain the right to use the property until death. Upon the donor's death, the Foundation owns the entire interest in the property.

## Authority to Accept Gifts

Acceptance by Officers & Designated Employees. Any of the Foundation's officers or employees designated by the Foundation's Finance Committee may accept, for and on the Foundation's behalf, any of the following:

- Cash
- Checks
- Cryptocurrencies
- Marketable securities

Acceptance by Finance Committee. All other gifts, including those listed below, will require review and, if appropriate, approval by the Foundation's Finance Committee. Gifts that may result in current or future financial obligations for the organization will require prior approval of the President & CEO, who will consult with appropriate ECCF Trustees and other parties when necessary. The following gifts are among the most common types that require the Committee's review and approval:

- Closely-held and S corporation stock
- Partnership interests
- Limited liability company interests
- Accounts receivable (e.g., gifts of loans, notes, mortgages)
- Real property
- Gifts of intellectual property, mineral reserves, precious metals
- Artwork, coin collections, jewelry, etc.
- Life insurance policies

Emergency Gifts. Notwithstanding the Finance Committee's authority above, gifts requiring immediate action (such as gifts in late December) may be exempted from full Committee review if, in the President's judgment, in consultation with the Chair and Vice-Chair of the Finance Committee, that



gift may be accepted without in any way jeopardizing the Foundation's exempt status.

Unrestricted Gifts Without a Designated Purpose. The Foundation accepts gifts, that are generally received through a bequest or other planned gifts, where the donor has not stated a named fund or purpose for the intended gift. In these cases, where the purpose cannot be verbally confirmed or the donor has listed "at the discretion of the Foundation," thus indicating that any restriction or condition of the gift has been explicitly waived by the donor, ECCF management will place the gift into an ECCF discretionary fund and/or the operating fund.

In cases where a gift is \$50,000 or greater, management will present a recommendation to the Finance Committee for approval of the placement of the gift into one or more funds.

Timing of Review. Gifts requiring Committee review will be handled promptly. Foundation staff will immediately notify donors if a gift is not accepted.

## **Authority to accept, negotiate and sign gift agreements**

Subject to the Finance Committee's review and approval authority, the Foundation's President will have the authority to handle inquiries, negotiate with donors, assemble documentation, retain expert and technical consultants, and execute agreements on the Foundation's behalf.

## **Purpose of gifts**

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

able to administer the terms of the gift in accordance with the donor's wishes.

## **Minimum gifts**

Subject to the policies set forth in this document, the Foundation may accept gifts to existing funds of any size. The most recent Fund minimums are set and approved by the Trustees on a bi-annual basis. Minimum Fund amounts can be found in writing, once approved, as a handout for prospective fund holders and in ECCF marketing materials. Exceptions are subject to the approval by the Foundation's President or CEO.

## **Investment of gifts**

The Foundation reserves the right to make any or all investment decisions regarding gifts to it in accordance with its Investment Policy, as amended from time to time. In making a gift to the Foundation, the donor gives up all rights, title and interest to the assets contributed. In particular, the donor relinquishes the right to choose investments and investment managers, brokers, or to veto investment choices for the contributed assets.

However, a fund of \$200,000 or more will warrant separate investment consideration, and as permitted by law, the Foundation will endeavor to accommodate requests from donors for separate investment of fund assets, or use a particular investment manager in accordance with the Foundation's Investment Policy Statement, and may consult with donors on investment options for such fund. The Foundation retains sole authority with respect to the initiation, continuation, and termination of such arrangements.

## **Costs of accepting and administering gifts**

Generally, costs associated with the acceptance of a gift, such as the donor's attorneys' fees, accounting fees, and appraisal and escrow fees, are borne by the donor. The direct costs of administering gifts are generally paid out of the assets of the individual funds. Custodial, investment, and administrative fees are paid from the respective funds in accordance with

the Foundation's guidelines and fee schedules. The Foundation reserves the right to assess a set-up fee and is a fee structure approved by the Trustees.

## **Fundraising by donors**

Because the Foundation is legally responsible for all fundraising undertaken on its behalf, fundraising undertaken by donors in connection with funds of the Foundation must be approved in advance by the Foundation pursuant to the Foundation's policy on fundraising by donors. All such fundraising activities are also subject to the Foundation's supervision. Attached are the Guidelines for Donor-Initiated Fundraising for ECCF Funds that share more details on Fundraising activity that ensures ECCFR's 501c3 compliance and protection.

## **Excess business holdings**

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

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

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

Donor advised funds receiving gifts of interests in a business enterprise have five years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. To prevent a violation of these

rules, it is the Foundation's policy is to divest itself of such holdings within the statutory limit of five years from the date the Foundation acquired the asset, and typically within three years. If that is not possible, the asset will be transferred to a new or existing fund that is not an advised fund.

## **Illiquid assets**

The Foundation's general policy is to liquidate all gifts promptly. On occasion, the Finance Committee may decide that it will not liquidate certain gifts immediately. Factors the Committee will consider include, inter alia:

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

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

**APPROVED by THE BOARD OF TRUSTEES: March 1, 2022**

O:\ECCF\BOARD & BOARD COMMITTEES\GOVERNANCE DOCS & POLICIES\Policies\_all current\  
ECCF Gift Acceptance Policy\_approv 3.1.2022

## **ADDENDUM - Real Property Donation Checklist**

1. Exact legal name of donor and federal identification number.
2. Description of property (copy of deed).
3. Description of any buildings or other structures located on the land.
4. Boundary survey of property with location of all structures, easements, and encumbrances appearing on the face of the survey.
5. Information regarding existing zoning status.
6. Information on all ingress/egress for the property.
7. Description of prior use of the property.
8. Description of use of surrounding property, with specific disclosure of any storage tanks or potential environmental factors affecting the property.
9. Disclosure of any contemplated or anticipated condemnations, right-of-ways or other actions by municipalities that may affect the subject property.

10. Phase I environmental report on the property, including environmental report on any structures located on the real estate.
11. Evidence of title, such as title examination and report, title insurance commitment, or schedule describing any liens, encumbrances, or title matters affecting the property.
12. Copy of appraisal showing the fair market value of the property current within sixty days.
13. Disclosure of amount of existing real estate taxes, insurance premiums, and assessments attributable to the property.
14. Discussion with proposed donor regarding any special arrangements for donor's fund or other sources to address ongoing expenses for taxes, insurance, assessments, maintenance, grass cutting, security, utilities, and similar items.

## Real Property Inquiry Form

### I. General Information

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

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

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



- |                     |       |       |
|---------------------|-------|-------|
| 1. Plumbing         | _____ | _____ |
| 2. Electrical       | _____ | _____ |
| 3. Heating          | _____ | _____ |
| 4. Air conditioning | _____ | _____ |
| 5. Hot water        | _____ | _____ |
| 6. Water supply     | _____ | _____ |
| 7. Sewage; type     | _____ | _____ |
| 8. Other fixtures   | _____ | _____ |

- |   |       |       |
|---|-------|-------|
| IV. Rental/Condominium/Cooperative      | _____ | _____ |
| A. Building systems                     | _____ | _____ |
| 1. Leases                               | _____ | _____ |
| 2. Rental arrears                       | _____ | _____ |
| 3. Last month's rent/security deposit   | _____ | _____ |
| B. Common area fees in arrears          | _____ | _____ |
| C. Building or sanitary code violations | _____ | _____ |
| D. Operating/capital budget             | _____ | _____ |

- |                        |     |    |
|------------------------|-----|----|
| V. Environmental       | Yes | No |
| A. History of property |     |    |

1.	Property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or any other non-residential purposes	_____	_____
B.	Condition of property		
1.	Stressed or denuded vegetation or unusual barren areas	_____	_____
2.	Discoloration, oil sheens, or foul/unusual odors in water	_____	_____
3.	Storage drums	_____	_____
4.	Above or underground storage tanks; vent or filler pipes	_____	_____
5.	Evidence of oil or other chemicals in soil	_____	_____
6.	Evidence of PCBs	_____	_____
7.	Evidence of toxic air emissions	_____	_____
C.	Adjacent properties		
1.	Properties adjacent or close to subject have conditions requiring "yes" answer to any questions in (A) and (B) above	_____	_____
D.	Flood plain/wetlands/drainage	_____	_____
E.	Endangered plants or wildlife	_____	_____
	Are you aware of any other information concerning any part of the land or buildings which might affect the decision of a buyer or affect value of property or affect use by buyer?	_____	_____

## VI. Property Expense Budget

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

A.	Income	<b>Annual</b>
	1. Rent	_____
	2. Other	_____
B.	Expenses	_____
	1. <u>Real estate taxes:</u>	
	First payment due _____ (date) _____	
	Second payment due _____ (date) _____	
	2. <u>Utilities:</u>	
	Gas	_____
	Oil	_____
	Electric	_____
	Water/sewer	_____
	Other	_____
	3. <u>Services:</u>	

Caretaker/property manager \_\_\_\_\_

Landscaping \_\_\_\_\_

Heating/cooling service contract \_\_\_\_\_

Snow removal \_\_\_\_\_

Pool services \_\_\_\_\_

Common area charge (condominium) \_\_\_\_\_

Security \_\_\_\_\_

Other \_\_\_\_\_

4. Maintenance/Repairs \_\_\_\_\_

5. Insurance \_\_\_\_\_

**Total Expenses**

**Net Income (Loss)**

**VII. Additional Information on Sections II through VII**

**VIII. Acknowledgments**

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

\_\_\_\_\_  
Owner Date \_\_\_\_\_

\_\_\_\_\_  
Owner Date \_\_\_\_\_

## ADDENDUM

### Guidelines for Donor-Initiated Fundraising for ECCF Funds

ECCF is pleased to work with donors to expand their through fundraising activities. We have developed these guidelines to ensure that your fundraising efforts (1) comply with IRS and other governmental regulations, (2) ensure that donors receive the appropriate acknowledgement, (3) protect ECCF's 501(c)3 status, and (4) result in successful fund raising.

The guidelines apply to all current and future Funds. ECCF reserves the right to refuse any assets that have been raised in violation of these guidelines. As each Fund and fundraising activity requires different levels of staff assistance, ECCF will work with each fund holder

to assess any increase in fees due to specific administrative responsibilities. Please see fee schedule at end of exhibit A.

All ECCF Funds may receive donations from donors other than fund holders/advisors. However, the IRS does not permit fundraising expenses to be paid from donor advised funds. Approved fundraising expenses may be paid from field of interest and scholarship funds. Generally Agencies that have funds with ECCF sponsor their own fundraising events.

Fundraising activities can include a solicitation or an event and may be conducted by an individual, a group of people or an organization. Proceeds from these activities can be added to an ECCF Fund in one of four ways:

1. Solicitation for tax-deductible gifts sent directly to an ECCF Fund
2. Fundraising event conducted on behalf of a Fund where donors MAY receive tax deduction.
3. Fundraising event where donors are NOT entitled to a tax deduction
4. Fundraising event sponsored by a 501 (c)(3) organization other than ECCF

## 1. Solicitation for tax-deductible gifts sent directly to an ECCF Fund

Fundraising groups may promote a Fund through various forms of passive marketing including brochures, posters, information sessions, websites, social media or a request of money through an appeal letter to friends or associates.

### **Approval of materials:**

ECCF **requires** a review of the draft materials and websites prior to distribution to ensure accuracy and to facilitate the processing of gifts. All materials and websites must identify the Fund as "a component fund of the Essex County Community Foundation" and include the ECCF logo.

**Links to ECCF website donation page:**

ECCF **recommends** a link to the ECCF website for donations and information. ECCF will create a separate donation page for a Fund when requested. ECCF will link to the Fund's website to provide the Essex community with more information about the Fund. ECCF also will recommend preferred professionals for designing brochures and websites for cost effectiveness and consistent branding.

**Gifts to the Fund:**

Gifts may be made on-line at [www.eccf.org](http://www.eccf.org) or linked through the Fund's website, by check or through cash wire or stock transfer (see appendix for wire and transfer instructions.) All checks should be made payable to "Name of the Fund/Essex County Community Foundation" and sent directly by the donor to ECCF at 175 Andover Street, Danvers, MA 01923. All donors making gifts of \$250 and above will receive a gift acknowledgement letter from ECCF indicating that the gift is tax deductible. For gifts under \$250, donors may use their cancelled check to verify the tax donation. The appointed Fund advisor will be notified periodically upon receipt of all gifts to the Fund. In the event that the more frequent notification is needed, a fee may be charged.

**Expenses incurred for materials or websites that have not been preapproved will not be paid by the Fund.**

**2. FOR EXISTING FUNDS ONLY (not for new Funds) -**

**Fundraising event conducted on behalf of a Fund where donors MAY receive a tax deduction**

Fund raising groups may conduct a fundraising event to benefit Scholarship Funds and Field of Interest Funds. ECCF and those fund raising on behalf of an ECCF Fund must adhere to applicable IRS rules.

*"A contribution/gift to the charitable fund is a voluntary transfer of money or property that is made with no expectation of a commensurate return. If a donor will receive a financial or economic benefit in return for making a contribution/gift (dinner and entertainment, etc.), the payment is not a tax deductible charitable contribution except to the extent that it exceeds the fair market of the benefit. This limitation on the deduction is known as a "quid pro quo" and must be disclosed."*

**Event and budget approval:**

ECCF **requires** the fundraising group to submit a written proposal and budget (format in Exhibit A recommended) and obtain advance approval before undertaking public events. The proposal will define the event and outline the anticipated revenue and expenses. The information in the proposed budget and the corresponding value assigned to the contributions will need to be discussed prior to the event. Without this information, ECCF will not be able to appropriately acknowledge the donor for his/her charitable contribution to the Fund from the event.

**Event Responsibilities:**

The fundraising group will be responsible for adherence to the proposal to implement the event, to all relevant local, state, and federal laws, including assessment of additional liability insurance if needed, completing the event, collecting monies and reporting back to ECCF within two days of the event. The group will be responsible for all losses incurred by events. ECCF will not be held responsible for such losses. ECCF may require the group to purchase a letter of credit or provide a written personal guarantee.

**Event promotional materials:**

All published materials, event invitations and website information on the event must note that the monies are being raised **on behalf of** "Name of the Fund, a component fund of the Essex County Community Foundation", the ECCF logo and disclosure of the tax deductible and non deductible portion of admittance.

**Event registration:**

Fund holders may use ECCF's registration system for their events. All revenue from ticket sales will be deposited directly into the Fund. ECCF will provide weekly reports of registrations or donations to the fund for an additional fee.

**Raffles:**

Events or activities that include raffles or other games of chance are regulated by state and local governments and must be coordinated through ECCF. Raffle tickets are non-tax deductible and must state clearly on the face of distributed tickets.

**Auction items:**

For auctions ECCF will not assist with determining the value of items donated for an auction. The donor must establish its value with their financial advisor. ECCF can acknowledge the gift, but not the value.

**In-kind contributions:**



Contributions of services, while appreciated, are not generally deductible.

**Event expenses:**

ECCF will pay for event expenses that have been preapproved in the budget. We prefer to receive an invoice for expenses, but on occasion will also reimburse event organizers if vendor receipts are submitted.

### 3. Fundraising event where donors are NOT entitled to a tax deduction

Fundraising groups have the option to conduct benefit events such as a sport tournament, comedy night or rummage sale where participants understand that no tax deduction is available. These events are not sponsored by ECCF.

**Donation to the Fund:**

Generally, the group makes one lump sum donation, net of expenses to the Fund. All printed and spoken materials must include that the net proceeds are being raised to **benefit** the “Name of the Fund, a component fund of the Essex County Community Foundation”, and disclose that participation is non-tax deductible.

**Event responsibilities:**

Event organizers are responsible for collecting money raised, paying for expenses and any necessary insurance, permits, licenses, approvals, etc. ECCF’s name or information including the Fund name must not appear on any contract or agreement. The net proceeds will be sent to ECCF for addition to the Fund. A receipt for the net amount received is sent to the organizing group or organization.

**Event expenses:**

Please note that ECCF is prohibited by law from reimbursing the planning group for its expenses, therefore, the group must deduct its expenses before sending the net proceeds to ECCF.

### 4. Fundraising event sponsored by another 501C(3) other than ECCF

Organizations with their own 501C(3) status may sponsor a fundraising event or solicitation promoting their agency.

**Donation to the Fund:**

The Agency will deposit the net proceeds from the event into their Fund at ECCF.

**Event Responsibilities:**

The agency will issue its own acknowledgement letters to donors. All printed and spoken materials must include that the net proceeds are being raised to **benefit** the “Name of the Fund, a component fund of the Essex County Community Foundation”. The Agency should ensure their compliance with all applicable IRS and Commonwealth of Massachusetts laws and regulations regarding solicitation, acknowledgment and tax deductibility of gifts.

**Staff Contacts**

The ECCF staff is happy to assist you with your fundraising events. As we have various roles in the process, event organizers should contact the following staff members when you require assistance:

Budget and event approval: Services	Vice President of Grants and
Donations and gift acknowledgements:	Finance Manager
Accounts payable:	Finance Manager
Event registration:	Finance Assistant

# Fundraising Activity Form and Budget

Please complete the form below and submit to ECCF approval prior to holding a fundraising event. Expenses are not eligible for reimbursement without completion of this form.

1. Purpose of fundraising effort:
2. Description of event:
3. Is alcohol being served?
4. Date of event:
5. Location of event:
6. Group or individuals who will conduct fundraising event. Indicate those who will authorize expenditures.
7. Primary Contact Person:  
Name:  
Address:  
Phone:  
Fax:

Email:

8. Do any of the above named individuals expect to gain monetarily from conducting the event? Do any of these persons have connections to a business that will benefit from the proposed event? If so, explain?

9. Proposed project budget (NOTE: Unauthorized expenditures will be the responsibility of the fundraising group.)

Expected Revenue \$\_\_\_\_\_ Expected Expenses \$\_\_\_\_\_

Net Proceeds (Revenue less Expenses) \$\_\_\_\_\_

Number of Event/Project Participants/Donors \_\_\_\_\_

I. Please describe and list sources of event/project revenue (Attach separate sheet if necessary)

_____	\$_____
_____	\$_____
_____	\$_____

II. Please describe and list sources of event/project expenses (Attach separate sheet if necessary)

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

III. Please describe and list donated goods/services to your event/project and their fair market value (note: fair market value is the amount the item/service would be worth if sold to the general public in the ordinary course of trade) (Attach separate sheet if necessary)

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

\*Items donated for your fundraising event(for example, food and/or cases of soft drinks) must be assessed at fair market value and included in the calculation determining the value of the benefit received by the donor for his/her contribution to your fund.

IV. Will you be paying any individual for services from this fund?    Yes    No

If yes, whom and explain service(s) rendered:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

V. Description of event/project and contribution levels. (Please detail what benefit(s) a donor receives when they contribute to your event/project.) Are there different benefits associated with different levels of contribution? What does a corporate sponsor receive for contribution and are there different benefits for corporate sponsors? (Attach separate sheet if necessary.)

---

---

---

---

Please note: ECCF requires a final report listing the actual revenue/expenses and number of people attending and making contributions. The checks/contribution amounts deposited in your charitable fund need to correspond with the information provided.

Thank you for your interest and cooperation in supporting the Fund.

I have read the guidelines for Donor-Initiated Fundraising at ECCF, agree to abide by them, and attest that all information presented here is true to the best of my knowledge.

\_\_\_\_\_ Date\_\_\_\_\_

Signature of Primary Contact

\_\_\_\_\_ Date\_\_\_\_\_

Signature of person who authorizes expenditures (if different than above)

Submit this form to:

Essex County Community Foundation

175 Andover Street

Danvers, MA 01929

978-777-8876

F 978-777-9454

www.eccf.org

-----

OFFICE USE ONLY

\_\_\_\_Date application approved

Fundraising group has supplied:

\_\_\_\_City or Town application(s) required for licensing \_\_\_\_Date Filed

\_\_\_\_Proof of additional liability insurance covering ECCF

\_\_\_\_Proof of dram shop insurance (if alcohol is to be served)

\_\_\_\_Other:\_\_\_\_\_

Schedule of Fees:

Menu of Service	Assessed Fee to Fund
Event approval process	\$50
Setup online registration page	\$200
Reporting of weekly gifts received and expenses paid	.5% of gifts