A close up of a logo

Description automatically generated**Gift Acceptance Policy**

December, 2020

**Gift and Fund Acceptance Policies**

Adopted by the Board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Chaffee County Community Foundation, (“CCCF” or “the Foundation”), a nonprofit organization organized under the laws of the State of Colorado, encourages the solicitation and acceptance of gifts to CCCF that will help the Foundation further and fulfill its mission.

The following policies and guidelines govern acceptance of gifts made to the Foundation for the benefit of any of its programs. They are established to ensure that each gift to the Foundation is structured to provide maximum benefits to the community, the donor, the Foundation, and the beneficiaries of the Foundation’s charitable programs and activities.

**Mission**

The Chaffee County Community Foundation acts as a catalyst to inspire positive change through the power of philanthropy to enrich the lives of all people in Chaffee County.

***1. Purpose and Scope of Policies and Guidelines***

The Board of Directors of the Foundation and its Staff solicit current and deferred gifts from individuals, corporations and foundations to secure the future growth and mission of the Foundation. These policies and guidelines govern the acceptance of gifts by the Foundation and provide guidance to prospective donors and their advisors when making gifts to the Foundation. The goal is to encourage financial support for the Foundation without encumbering it with gifts which either generate more cost than benefit, expose it to potential liability or which may be restricted in a manner that is not in keeping with the Foundation’s charitable purposes.

**Guiding Questions**

The Foundation, in a transparent effort to always elevate the common good for the community and for itself, will consider the following questions when deciding whether to solicit or accept gifts. Answers to these questions will be logged using the Gift Scoring Matrix shown as Appendix A below and saved with the gift or donor profile in Community Suite. Unrestricted gifts of cash or cash equivalents below $5,000 or gifts below $5,000 to already-established funds will not need individual scrutiny under this policy unless deemed otherwise by Foundation staff.

All decisions to solicit and/or accept potentially controversial gifts will be made by the Executive Director in consultation with the Gift and Fund Acceptance Committee (as outlined below) and the full Board, when applicable*.*

***2. Ethical Standards in Dealing with Donors***

The Foundation is committed to the highest ethical standards of philanthropy and development. In all transactions between potential donors and the Foundation, the Foundation aspires to provide accurate information and full disclosure of the benefits and liabilities that could influence a donor’s decision.

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.

The Foundation seeks the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. All prospective donors of gifts other than outright gifts of cash or publicly traded stock given for unrestricted use are encouraged to consult with legal counsel and/or financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

In particular, donors should be made aware through the donation process of the following:

* The irrevocability of a gift;
* The Foundation’s right to make any and all investment decisions regarding gifts to it in accordance with its corresponding internal policies and procedures;
* The Foundation’s variance power;
* The Foundation’s spending policy and definition of endowment funds;
* In the case of donor-advised funds, applicable policies and limitations;
* Prohibitions of donor restriction;
* Items subject to variability: market value, investment return and income yield;
* Applicable administrative and investment management fees;
* 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
* 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. All fundraising activities are subject the Foundation’s supervision.

The purpose of a gift to the Foundation, other than cash or publicly traded stock that is to be immediately liquidated for unrestricted use by the Foundation, will be defined in a written fund agreement or deferred gift instrument signed by the donor, or his or her appointed representative and the Executive Director or an officer of the Foundation. It is the policy of the Foundation to develop a signed fund agreement prior to receiving a current outright gift to establish a fund valued at more than $5,000, or in the case of a planned gift in which the donor is living, as soon as possible as the Foundation becomes aware of its existence. Standard fund agreements which have been approved by legal counsel may be used. Individual fund agreements will be prepared and reviewed by Staff and or legal counsel of the Foundation. This agreement requirement is waived in the case of any gift designated in writing from the donor to an already-established Fund of the Foundation.

***3. Kinds of Funds***

The Foundation offers a number of different types of funds, which are detailed in a separate Fund Creation Policy and attached to this policy as Appendix B.

Whatever type of fund a donor chooses to create, funds remain permanently in the name of the donor (or a name the donor chooses), and CCCF provides all the administrative support to honor the donor’s philanthropic intent. Of course, any donor who wishes to remain anonymous may do so. The Foundation believes everyone, no matter their financial net worth, can be a philanthropist. In keeping with this, fund minimums have been established and outlined in the separate Fund Creation Policy.

***4. Gift and Fund Acceptance Committee***

In general, the Foundation Staff is authorized by the Board to accept new gifts and funds subject to the policies outlined herein.

To assist Staff in the evaluation of *complex* gifts and funds, the Board of Directors from time to time authorizes the creation of an Ad Hoc committee, to be known as the Gift and Fund Acceptance Committee (“Committee”). The Committee has the responsibility to consider and accept or reject *complex* gifts and funds. Members of the Gift and Fund Acceptance Committee shall consist of:

* The Chair of the Board
* The Treasurer of the Board
* The Development Committee Chair
* Such other members or outside content expert advisory members as appointed by the Chair
* Ex-Officio member(s) include the Executive Director or any Development Director as may be employed by the Foundation

The Staff and Committee are charged with ensuring that gifts received are consistent with these policies and with State and Federal law and IRS Guidelines, and that they are in the best interest of the Foundation. Committee members reach agreement by simple majority of voting members, with the assistance of advisory members who have expertise in specific types of gifts. Committee members may also review proposed funds that may fall outside the ordinary scope of Staff expertise. Gifts requiring Committee review will be handled promptly and Foundation Staff will immediately notify donors if a gift is not accepted.

In the case of significant disagreement or hesitancy on the part of the Committee, the Committee may wish to present the proposed gift or fund in a confidential way to the CCCF Board of Directors for further consideration, confirmation or rejection.

***5. Restrictive Gifts***

The purpose of a gift must fall within the broad charitable purposes of the Foundation. Each proposed fund or gift will be considered on a case by case basis. The Foundation reserves the right to accept or decline any proposed fund or gift to the Foundation. The Foundation will not accept gifts that are too restrictive in purpose, gifts that are too difficult to administer, or gifts that are outside the mission of the Foundation. All final decisions on the *restrictive* nature of a gift, and its acceptance or refusal, will be made by the Board of Directors after presentation by the Gift and Fund Acceptance Committee, in consultation with the Executive Director.

**6. Authority to Negotiate and Sign Gift Agreements**

The Foundation’s Executive Director 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.

***7. Gifts Which Do Not Require Review***

Gifts received in the following forms can be accepted by Foundation Staff and will ***not*** require prior review and approval by the Committee but are still subject to scrutiny under the Guiding Questions as listed above on Page 1 of this policy:

* Cash or cash equivalents and checks.The Foundation accepts cash, checks, wire transfers or money orders made payable to the Foundation or any of its Funds.
* Marketable Securities. The Foundation will add the proceeds (sale price per share multiplied by number of shares minus sales expense) of marketable security contributions to the appropriate fund of the Foundation. In the event the Foundation receives actual stock certificates, these should be properly endorsed by the donor and the Foundation.

It is the general policy of the Foundation to sell marketable securities immediately upon receiving them, unless otherwise directed by the Investment Committee. The Foundation’s Board and Investment Committee governs the disposition of securities and makes all decisions regarding the sale or retention of securities. In some cases, marketable securities may be restricted by applicable securities law; in such instances the final determination of the acceptance of the restricted securities will be made by the Gift and Fund Acceptance Committee of the Foundation.

***8. Gifts that require review or approval by the Committee include:***

* Closely Held Securities. Donors wishing to make gifts of stock in a closely held corporation or S corporation must have it valued by a reputable independent accounting or appraisal company prior to making a contribution. If the stock is immediately marketable it may be accepted and will be sold. If the stock is not immediately marketable, the Committee may recommend non-acceptance of the gift or may authorize that the stock be held by the Foundation until it may be redeemed or sold for cash.

In order to be in compliance with Federal excess business holding rules for assets in Donor Advised Funds, any gift that will result in excess business holdings must be analyzed by the Gift and Fund Acceptance Committee and will be considered for acceptance only if there is a written plan for divestiture within 3 years. The holdings of a Donor Advised Fund, together with the holdings of persons who are disqualified persons with regard to the fund, may not exceed: 20 percent of the voting stock of an incorporated business, 20% of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity or 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.

The acceptability of a gift of closely held or S corporation stock will depend on the ultimate financial liability of the Foundation and the amount of management attention required.

* Tangible personal property. Tangible personal property may be accepted as a gift if

1) the Foundation determines that the property will be used in furtherance of the Foundation’s exempt purposes or

2) 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 expenditures or resources required for such sale. If the value exceeds $5000, a donor is required to have a qualified appraisal done by a qualified appraiser as determined by the IRS and submit IRS Form 8283. If the Foundation sells the property within three years, IRS Form 8282 must be filed by the Foundation, informing the donor and IRS of the sale price of the item(s). Should the acceptance and solicitation of tangible personal property become a regular or key strategy of the Foundation, a separate policy or procedure will be established to govern their acceptance and treatment.

*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.
  + All tangible personal property shall be examined with the following criteria in mind:
    - Is the property marketable?
    - Are there any undue restrictions on the use, display, or sale of the property?
    - Are there any carrying costs for the property?
* Real property. If a donor wishes to contribute real property or an interest in real property to the Foundation, whether as an outright gift or through a deferred giving arrangement, the Foundation Staff and Gift and Fund Acceptance Committee will consider all facts and circumstances in determining whether to recommend accepting the gift. Donors will always be advised to confer with their own counsel to review the terms of the gift.

**Policies for the Acceptance of Gifts of Real Estate**

Gifts of real estate may be accepted on behalf of the Foundation in accordance with the policies stated below.

1. ***Authority to accept gifts of real estate***

The Foundation’s Executive Director is authorized to accept gifts of real estate that are permitted by these policies -- only after review by the Foundation’s Gift and Fund Acceptance Committee.

1. ***Conditions for acceptance***

In general, it is the policy of the Foundation to accept gifts of real estate only if they are to be sold within 12 months with the proceeds used for the general purposes of the Foundation, or as provided by the donor. The Foundation reviews each proposed gift on an individual basis, and may accept or reject any proposed gift. A gift of real estate may also be accepted under the following conditions on a case by case basis: if it is to be used by the Foundation in connection with established or specifically approved programs or activities; or if it is to be held for the production of income.

1. ***Prohibited transactions***

The Foundation will not accept property which would jeopardize its tax-exempt status, or expose it to expenses for which no source of funds has been identified.

1. ***Conditions affecting acceptance***

* If the property is to be used by the Foundation, it shall be in good physical condition. If it is not in compliance with applicable building, health, and safety codes, or requires repairs or improvements, a source of funds for the costs of bringing the property into compliance must be identified prior to acceptance, or the equity in the property must be at least twice the value of the cost of needed repairs or expenses.
* The proposed use must be lawful and consistent with any previously approved strategic plans of the Foundation involving the use or acquisition of real property.
* If the property is to be held for the production of income, a pro forma positive cash flow analysis must compare favorably to the amount of income that would be obtained if the property were sold and the proceeds invested as a part of the general endowment pool.
* If the property is to be sold, it should be marketable within a reasonably short period of time. If the Board deems market conditions unfavorable to receive and acceptable/fair price within the 12-month period stated in “Conditions for Acceptance,” the full Board may vote to extend the 12-month holding limit as necessary as long as research deems there will be no harm to the donor or the Foundation. Acceptance of offers to purchase property from the Foundation requires the signature of the Executive Director, or the Executive Director’s corporate legal delegate and the approval of the Gift and Fund Acceptance Committee.
* The Foundation, at this time, may carry back financing on a property sold. The future may dictate a change in this policy. The determination is made on a case by case basis.
* If the property is commercial property, the Foundation will weigh its ability to manage said property for the time necessary to sell the property. For example, income producing property may subject the 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.

1. ***Procedure***

Prior to formal acceptance, the following shall be obtained by Foundation Staff:

* Preliminary title report covering the subject property (the title report shall reflect that title is vested in the donor on the form represented, and is subject to no claims, liabilities or major defects of title;
* A suitable property valuation by a qualified appraiser. The donor may be asked to pay the costs associated with obtaining any necessary final appraisal;
* A list of improvements to the property;
* A current list of leases, if any;
* A list of encumbrances, mortgages, liens, and current expenses, if any;
* A commitment for title insurance; and
* A professional physical inspection of the property by a consultant to the Foundation;
* The Colorado Real Estate Commission Seller’s Disclosure Form shall be supplied by donor.

Conditional acceptance may be made subject to satisfactory completion of each of the foregoing.

1. ***Hazardous waste considerations***

If deemed necessary, prior to formal acceptance, a Stage I Environmental Assessment must be made by an individual or firm competent to advise the Foundation whether further investigation is needed.

1. ***Grant deed***

Upon acceptance of the gift of real estate, it is the responsibility of the Gift and Fund Acceptance Committee and the Executive Director to ensure the warranty deed is properly conveyed to the Foundation. This includes having the donor sign the deed and recording it with the appropriate county. All closing paperwork shall be handled by a Title Company or attorney. The Executive Director or the Executive Director’s legal delegate has the responsibility for the proper safeguarding of all deeds.

1. ***Internal revenue service Form 8283***

The Internal Revenue Service requires that Form 8283 be completed so as to be filed with the donor’s tax return. Upon acceptance of the gift, the Executive Director or the Executive Director’s delegate shall be responsible for completing the “Donee Acknowledgement section” of IRS Form 8283, mailing the original form to the donor and a copy subsequently filed.

1. ***Internal revenue service Form 8282***

The Internal Revenue Service requires that Form 8282 be completed and filed (with respect to any real estate for which a Form 8283 has been filed when that property is disposed of by the donee institution within three years of the date of gift. Upon disposition, the Foundation will be responsible for filing Form 8282 in a timely manner.

1. ***Maintenance, upkeep, insurance, etc.***

Prior to acceptance of any gift of real estate, a source of funds must be identified for maintenance, upkeep, physical security, insurance, etc. of the donated property. It is advisable to ask the donor for funds to meet these costs if it is anticipated that the Foundation will hold the property for longer than six months prior to sale.

1. ***Simple Life Estate Agreements***

In the case of property donated to the Foundation subject to a life estate, the life tenant shall enter into an agreement in writing providing that the life tenant shall pay all the costs of maintenance and upkeep of the property including but not limited to repairs, improvements, taxes, insurance, etc. The Foundation’s life estate agreement will be attached to said document.

* Cost Recovery. Funds to cover costs such as appraisals, hazardous substance assessments, taxes, Insurance, maintenance, and unanticipated expenses may be advanced from other funds of the Foundation and recovered at the time disposition of the property is made. The cost of recovery shall include interest on Foundation funds, normally equal to earnings of funds operating as an endowment. Donors shall be advised of this policy.
* Documentation of Acceptance of Property. It is the responsibility of the Executive Director to secure acceptance from any of those parties authorized to accept property and assure documentation of acceptance. Documentation to be made by letter.
* Death of Donor. Upon the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor’s estate.
* Exception Procedure. Exceptions to these policies may be made by the Executive Director or the Executive Director’s legal delegate when such exceptions are deemed to be in the best interest of the Foundation. Such exceptions shall be in writing and set for the basis of the exception as approved by the Gift and Fund Acceptance Committee .

**Partnership Interest**

* The Foundation does not accept gifts of general partnership interests.
* The Foundation does not accept gifts of Limited Partnership interests.
* The Foundation does not accept gifts of Limited Liability Company interests

**Bargain Sales**

The Foundation does not participate in bargain sales at the time of the review of this policy but reserves the right to add bargain sales to the policy at a later time in keeping with the guidelines for changing policy.

**Planned Gifts**

The Foundation’s planned giving program encompasses all types of gifts whose benefits do not fully accrue to the Foundation until some future time (such as the death of the donor or other income beneficiaries or the expiration of a predetermined period of time) or whose benefits to the Foundation are then followed by the interests of noncharitable beneficiaries. The types of planned giving opportunities accepted by the Foundation are listed below:

* Gifts by Will or Living Trust. The Foundation encourages donors and supporters to make bequests to the Foundation under their wills and trusts. The Foundation encourages such donors to contact the Foundation during their lifetime to discuss their charitable intent. Sample bequest language is available from the Foundation; however donors are encouraged to consult a professional advisor for additional assistance. 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 there is no stipulation for anonymity.
* Gifts of Life Insurance. 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. The Foundation may accept gifts of life insurance policies in any amount to any existing fund.

Each gift of life insurance policy giving rise to a charitable deduction of more than $5,000 must be appraised in accordance with federal tax law.

* Charitable Remainder Trust. The Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift and Fund Acceptance Committee. The Foundation will not accept appointment as Trustee of a charitable remainder trust.
* Charitable Lead Trust. The Foundation may accept designation as income beneficiary of a charitable lead trust. The Foundation will not accept appointment as Trustee of a charitable lead trust.
* Gift Annuities. The Foundation does not participate in gift annuities at the time of review of this policy but reserves the right to add gift annuities to the policy at a later time in keeping with the guidelines for changing policy.
* Retirement Plan Beneficiary Designation. 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.

**Gifts Whose Structures Fall Outside Ordinary Purposes, Bylaws and Procedures**

**Excess Business Holdings with regard to Donor Advised Funds**: 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 three years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional three 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 three years from the date the Foundation acquired the asset. If that is not possible, the asset will be transferred to a new or existing fund that is not an advised fund.

**Miscellaneous Provisions**

Appraisals and Legal Fees. It will be the responsibility of the donor to secure an appraisal where required and independent legal counsel when necessary for all gifts made to the Foundation. The Foundation does not pay legal, accounting or appraisal fees for any future gift.

**Valuation**

The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date the gift is completed.

Illiquid Assets. In connection with the acceptance of illiquid assets, the Foundation may incur costs such as unrelated business income tax, fees or commissions associated with the sale or liquidation of assets, asset management and holding costs, consultant fees or other expenses outside the normal scope of the Foundation’s administrative costs. Accordingly, as a condition of the Foundation’s acceptance of the gift, the Foundation may require a pledge or other written agreement between the donor and the Foundation that provides for the payment of all or a portion of any such costs or expenses, including unrelated business income taxes, to the extent there is insufficient cash in the donor’s fund to which the asset(s) have been donated to cover such costs.

**Investment of Gifts**

The Board of Directors and the Investment Committee reserve the right to make any or all investment decisions regarding gifts received.

In making a gift to the Foundation, donors give up all rights, title and interest to the assets contributed. In particular, donors give up the right to choose investments and investment managers or brokers, or to veto investment choices for their gifts.

However, when the size of a fund warrants separate investment consideration, and when otherwise permitted by law, the Foundation will endeavor to accommodate requests from donors for separate investment of fund assets, or use a particular investment manager, broker or agent in accordance with the Foundation’s Investment Policy, and may consult with donors on investment options.

**Acknowledgement**

The Foundation shall acknowledge all gifts made to the Foundation in compliance with IRS Publication 561 Determining the Value of Donated Property and IRS publication 526 Charitable Contributions.

**Changes to Gift and Fund Acceptance Policies**

These policies and guidelines have been accepted by the Board of Directors of the Foundation. The Board of Directors of the Foundation must approve any changes to or deviations from these policies.

Exception: when IRS regulations change, the then current IRS policies shall become part of these

policies replacing those attached the day of initial approval of the Board of Directors, without

action of the Board.