

Community Foundation of Wabash County, Inc.
Conditions of Gift Types Policy

I. Artwork/Collectibles

- A. All proposed gifts of Artwork/Collectibles will be considered on a case-by-case basis.
- B. The Donor must provide one qualified appraisal as to the value of the Artwork/Collectibles dated no earlier than 60 days before the proposed date of the gift. The Foundation reserves the right to conduct its own, independent appraisal of the Artwork/Collectibles if needed.
- C. Gifts of Artwork/Collectibles that are accepted by the Foundation will not be disposed of less than two years after the date of the gift.
- D. In reviewing acceptance of the gift, the Foundation shall take the following into consideration: its interest in the item(s); whether the item(s) is (are) marketable; its ability to safeguard the item(s); and, the cost to insure the item(s) from theft/loss/destruction.
- E. The Foundation reserves the right to make exceptions to any of the above guidelines.

II. Charitable Remainder Trusts.

All property gifts of Charitable Remainder Trusts will be considered on a case-by-case basis.

III. Charitable Gift Annuities.

- A. There is no trust with a charitable gift annuity; there is only a contract between the donor and the charity to pay income over the life of the annuitant. Because an annuitant is an unsecured creditor of the Community Foundation, all of the assets of the Foundation are on the line to pay the annuity. The Investment Committee may purchase commercial annuities to reduce their financial risk under a Gift Annuity. By comparison, with a charitable remainder trust the beneficiary's claims are generally limited to the assets in the trust.
- B. Interest rates for Gift Annuities shall follow the guidelines that are recommended by the American Council on Gift Annuities. Its general practice has been to compute annuity payouts so that a charity can expect to receive half of the original contribution upon a donor's death.
- C. No Gift Annuity shall be issued for an amount of less than \$10,000 or for the life of an individual under 60 years of age. No Gift Annuity agreement shall be for more than two lives.
- D. No Gift Annuity shall be issued unless the charitable gift-computed using the government tables-exceeds 10 percent of the amount transferred for the annuity.
- E. The investment committee shall establish an annuity investments pool which will hold the principal of all gifts annuities that provide as the charitable remainder an endowment fund or operating fund of the Community Foundation of Wabash County.
- F. The annuity payments to the income beneficiary will be paid no more frequently than quarterly, with annual or semi-annual payments preferred.
- G. The Community Foundation shall receive 1% of the market value of the annuity investment account annually as a management fee.

IV. Life Insurance

- A. For donor recognition purposes, only gifts of both the ownership and beneficial interest in policies with guaranteed values/paid in full at age 65 will be recognized.
- B. The donor must provide a statement from the issuing insurance company as to the value of the policies in existence prior to the date of contribution.
- C. In the event a donor ceases making premium payments, the Foundation shall consider the following options: cash surrender; exchange for paid-up policy with lower face value; using accumulated/future dividends to make premiums; using cash value to keep policy in force for period of time; or other options.

V. Non-Cash Gifts

- A. The Foundation reserves the right to accept or reject proposed gifts on a case-by-case basis.
- B. With the exclusion of publicly traded securities, the transfer of ownership of any non-cash contribution to the Foundation, either real or personal property, is subject to approval by the Investment Committee. Acceptance will be based on guidelines established by the Committee, the intent of which are to eliminate financial risks associated with holding title to such property.
- C. In the case of contributions of real property, a Phase I environmental audit should be performed, at the donor's expense, prior to acceptance of the property.
- D. The Donor must provide one qualified appraisal as to the value of the real estate dated no earlier than 60 days before the proposed date of the gift.
- E. When the Foundation accepts a gift of real estate which it intends to sell in the near future, the Foundation must notify the Donor (in writing and before the contribution) of this intention and of the Foundation's obligation to file IRS Form 8282.
- F. In reviewing acceptance of the gift, the Foundation shall take the following into consideration: whether it can use the property for its exempt purpose or evaluate the property as an investment property; whether the donor has good title; the future environmental clean-up liability exposure, including, but not limited to, conducting a Level One Environmental Assessment; the marketability of the property; if evaluated as potential investment property, the likelihood of an estimated amount of appreciation which could be realized if the institution held the property for a period of time; and, the costs of owning the property.
- G. The Foundation shall liquidate all non-cash contributions which are not suitable investments from the perspective of the investment manager assigned to the portfolio receiving the assets. Therefore, no contributions will be accepted which are subject to donor restrictions in terms of usage or holding period, unless approved by the Investment Committee.
- H. Valuation of non-cash contributions and the preparation and filing of Internal Revenue Form 8283 or other required forms for the purpose of obtaining a charitable tax deduction will be the responsibility of the Donor.

VI. Remainder Interests

- A. All proposed gifts of a remainder interest in a residence or farm will be considered on a case-by-case basis.
- B. The donor must provide one qualified appraisal as to the value of the Real Estate dated no earlier than 60 days before the proposed date of the gift.
- C. In reviewing acceptance of the gift, the Foundation shall take the following into consideration: whether the Foundation is interested in owning the property at some point in the future; whether the donor has good title; the future environmental clean-up liability exposure, including, but not limited to, conducting a Level One Environmental Assessment; the marketability of the property; if evaluated as potential investment property, the likelihood of, and estimated amount of appreciation, which could be realized if the institution held the property for a period of time; and, the costs of owning the property.
- D. The Foundation reserves the right to obtain an independent appraisal of the property.
- E. The Investment Committee shall determine whether or not to accept gifts of remainder interests.
- F. The Foundation reserves the right to make exceptions to any of the above guidelines.

VII. Securities

- A. Any of the following officers, to-wit: President, Vice President, Treasurer, or Secretary of this Foundation be, and they hereby are, fully authorized and empowered to transfer, convert, endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness, or other securities now or hereafter standing in the name of, or assumed name of, or owned by this Foundation or otherwise, any and all written instruments of assignment and transfer necessary or proper to effectuate the authority hereby conferred.
- B. Whenever there shall be annexed to any instrument of assignment and transfer, executed pursuant to and in accordance with the foregoing resolution, a certificate of the Secretary of this Foundation in office at the date of such certificate, and such certificate shall set forth these resolutions and shall state that these resolutions are in full force and effect, and shall also set forth the names of the persons who are then officers of this Foundation, then all persons to whom such instrument with the annexed certificate shall thereafter come, shall be entitled, without further inquiry or investigation and regardless of the date of such certificate, to assume and to act in reliance upon the assumption that the shares of stock or other securities named in such instrument were theretofore duly and properly transferred, endorsed, sold, assigned, set over and delivered by this Foundation, and that with respect to such securities the authority of these resolutions and of such officers is still in full force and effect.
- C. Privately Held Securities
 - 1. All proposed gifts of privately held securities will be considered on a case-by case basis.
 - 2. The donor must provide one qualified appraisal as to the value of the shares (based on the value of the underlying Foundation) dated no earlier than 60 days before the proposed date of the gift.


3. In reviewing acceptance of the gift, the Foundation shall take the following into consideration: whether there are any restrictions/time limits on the Foundation's right to sell the shares to third parties or to the issuing Foundation; whether owning the shares would subject the Foundation to potential liability; whether owning the shares would subject the Foundation to potential tax on Unrelated Business Taxable Income; whether owing the share could subject the Foundation to embarrassment if its ownership of the shares became public knowledge because of the nature/type of business/reputation of the issuing Foundation; and, whether the institution could realistically expect to profit from holding the shares for a period time.
4. The Pension Protection Act of 2006 (PPA) precludes Donor Advised Funds (DAFs) from holding more than a minor interest in a business when the donor, fund advisor or a related party ("disqualified person") also holds an interest in the business. This is known as the "excess business holdings" rule. Generally, the excess business holdings rule states that a DAF and persons who are disqualified persons with respect to the DAF may not together hold more than a twenty percent interest in a business enterprise (twenty percent of the voting stock of an incorporated business; twenty percent 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 or unincorporated entity.) DAFs receiving gifts of interests in a business enterprise after the effective date of the PPA (August 17, 2006) will have five years to divest holdings that are above the permitted amount.

In compliance to the federal law and the Pension Protection Act (PPA) of 2006, the Community Foundation shall identify any potential gift of a Donor Advised Fund that would qualify as an excess business holding and will notify the prospective donor of the PPA requirements prior to the contribution. The Community Foundation will monitor any such holding and will dispose of any excess business holding prior to the five-year time limit (or within ten years if the Treasury Department grants an additional five-year holding period), as required by law.

D. Publicly Traded Securities

It is the intent of the Foundation to liquidate all gifts of publicly traded securities immediately, unless the securities are deemed an appropriate addition to the Foundation's portfolio by the Investment Committee.

I affirm that this Conditions of Gift Types Policy was reviewed and approved without revisions by a unanimous vote of the Community Foundation's Board of Directors on May 15, 2018.


 Brian Howenstine, Secretary

Conditions of Gift Types Policy
 Adopted by the Board: 07/28/98
 Revised by the Board: 10/29/02
 07/25/06
 04/30/13
 05/15/18 (review only without revision)