

**The Greater Tacoma Community Foundation
Gift Acceptance Policy**

Revised 12/17/14

PURPOSE:

The purpose of this policy is to serve the best interests of The Greater Tacoma Community Foundation and its donors by providing guidelines for negotiating and accepting various types of gifts for various types of funds. Given the increasing complexity of IRS regulations, the volume of real estate and other property gifts, and state and federal environmental laws, the Community Foundation recognizes the value in carefully screening proposed gifts.

The purposes of the gift must fall within the broad charitable purpose of the Community Foundation. In addition, the Board of Directors and staff must be able to ensure that gifts accepted by the Community Foundation do not place other assets at risk, and that they can be easily converted into assets that fall within the Community Foundation's investment guidelines.

The Community Foundation must ensure that it can administer the terms of the gift in accordance with the donor's wishes. It is also important that the cost of managing funds be recouped from the funds themselves and that all gifts accepted by the Community Foundation contain provisions which allow for the payment of administrative fees to the Community Foundation.

POLICIES:

General:

- The Community Foundation reserves the right to accept or reject any gift as it sees fit.
- The Community Foundation will not knowingly accept a charitable gift which it believes is not in the best interest of the Community Foundation.
- It is the policy of the Community Foundation to convert all gifts to cash as soon as possible.
- The establishment of a new fund requires the approval of the President/CEO

Unrestricted gifts:

Bequests received by the Community Foundation that do not have direction or restriction by the donor for a specific fund or use shall be allocated to Administrative operations as follows:

- Bequest gifts less than \$5,000 shall be added to the Administrative Operating Fund.
- Bequest gifts of \$5,000 or more shall be added to the Administrative Endowment Fund.
- Bequest gifts of \$250,000 or more may be used to establish an endowment fund in the name of the donor. The fund will be designated to Administrative Operations.

Limitation on accepting gifts of assets to donor advised funds - The Community Foundation places a limitation on accepting gifts of assets (e.g. gifts of stock in closely-held C corporations, S corporations and limited partnership interests) to a donor advised fund. When the aggregation of assets held by a donor advised fund, donor, donor advisors and related parties exceeds 20% of the voting stock or profit interest in a business entity, the Community Foundation will divest excess holdings of the donor advised fund within 5 years.

Restrictions - In conformance with Treasury Department regulations governing community foundations, gifts to the Community Foundation may not be directly or indirectly subjected by a

donor to any material restriction or condition that prevents the Community Foundation from freely and effectively employing the transferred assets, or the income derived from them, in furtherance of its exempt purposes.

Minimum Balances - The Community Foundation offers a continuum of funds designed to be responsive to donor needs. Each fund type has unique characteristics which determine the minimum acceptable balance. In general, small funds require the same amount of management and accounting effort as large funds. While it is not the policy of the Community Foundation to discourage small gifts, it is not practical for the Community Foundation to manage funds with balances below a minimum level. The minimum fund balance for each fund type is as follows:

Fund Type	Minimum Amount
Community Grant	\$10,000
Donor Advised	\$10,000
Designated	\$10,000
Field of Interest	\$10,000
Organization/Agency	\$10,000
Scholarship	\$10,000
Charitable Gift Annuity	\$25,000
Charitable Remainder Unitrust	Negotiable, but generally \$150,000
Supporting Organizations	\$5,000,000

Building a fund over a specified time is allowed under certain circumstances, but distributions from an endowment fund will not be made until the minimum balance is reached.

Types of Gifts - Gifts to the Community Foundation take on a variety of forms. Many are outright gifts by living donors, either on a one-time or periodic basis. Others are testamentary gifts that take effect upon a donor's death or other forms of deferred gifts.

Non-Cash Gifts - As a general policy, contributions of assets other than cash and securities will be received by the Asset Stewardship Foundation, which is a supporting organization of the Community Foundation.

It is the duty of management to ensure that all assets accepted by Asset Stewardship Foundation contain provisions which allow for the payment of costs incurred in their management (e.g., service fees, utilities, property taxes) and for the payment of administrative fees to Asset Stewardship Foundation.

Committees will be convened as necessary to perform adequate review and analysis of certain non-cash assets prior to their acceptance.

In deciding whether or not to accept the gift, the Committee will consider the following:

- the value of the asset
- the likelihood that the asset can be liquidated
- projected income from the gift if the foundation holds it as an investment (e.g., rental income stream)
- charitable nature of the gift (e.g., historic building)
- risks to the Community Foundation (e.g., environmental hazards, potential liability)
- carrying costs (e.g., insurance, property taxes)
- unrelated business income tax consequences

Gifts Not Requiring Committee Review and Approval:

- Cash or cash equivalents
- Publicly-Traded Securities and Bonds
- Gifts of personal property for use in Community Foundation offices or programs
- Life insurance policies not requiring future premium payments by the Community Foundation
- Bequests of property not otherwise identified as requiring review
- Charitable Gift annuities
- Charitable Remainder Unitrusts

Gifts Requiring Committee Review and Approval:

- Closely-held C corporation and S corporation stock
- Partnership interests
- Life insurance policies requiring future premium payments by the Community Foundation
- Real Estate/Real property
- Tangible personal property that is not readily marketable (e.g., artwork, jewelry, furniture)
- Intangible property: Gifts of intellectual property
- Gifts whose structure fall outside the ordinary purposes, bylaws, and procedures of the Community Foundation

Gifts of Real Estate - The Real Estate Committee is responsible for the careful review and analysis of real property prior to the acceptance of the asset.

The Real Estate Committee shall obtain documentation of the value of the asset (including an appraisal, as required by IRS regulations). Valuation costs will be borne by the donor or, in some cases, charged to the fund. Management must agree to the reasonableness of the valuation.

The following Real Estate Contribution Agreement will be executed to document the terms under which the donor will contribute the property to the Community Foundation. After the review and analysis, the Community Foundation will either accept or reject the donation of the property.

REAL ESTATE CONTRIBUTION AGREEMENT

This Agreement is executed between The Greater Tacoma Community Foundation (The Community Foundation) and _____ (Donor). Under this agreement the

Community Foundation and the Donor wish to document the terms under which the Donor will contribute to the Community Foundation the following described real property located in the County of _____, State of _____.

address

The contribution of this property shall be on the following terms and conditions:

1. Site Visit and Feasibility Studies

The Donor gives permission to the Community Foundation and its' advisors to walk through the property to analyze its marketability. The Community Foundation shall be entitled to undertake any studies, reviews or analysis deemed appropriate to determine the acceptance of the property. If the property is accepted the costs of any studies, reviews or analysis will be deducted from the proceeds of the subsequent sale of the property.

2. Title Insurance

Donor shall pay for and furnish to the Community Foundation a standard owner's policy of title insurance issued by _____.

3. Appraisal

The Donor must order a property appraisal from The Washington State list of licensed appraisers in order to determine the fair market value of the contribution. The Donor is responsible for the cost of the appraisal as well as giving a copy to the Community Foundation.

4. Acceptance

Upon completion of the studies, reviews and analysis, the Community Foundation will notify the Donor in writing of the acceptance or rejection of the donation of the property.

5. Pro rations

After the Community Foundation accepts the contribution of the property, real estate taxes due in the current year, assessments, rents, interest, association or homeowner fees, water, and other utility charges shall be prorated as of the date of the filing of the Statutory Warranty Deed. Fees associated with the recording of the Statutory Warranty Deed will be paid from the proceeds of the subsequent sale of the property.

6. Donor Representations

Donor warrants the following:

a. The property is, and will continue to be on the date of the filing of the statutory warranty deed free and clear of all liens, encumbrances and defects except as noted.

b. The property is served by _____ natural gas, _____ electricity, _____ telephone, _____ public sewer, _____ septic, _____ public water system, _____ private well.

c. The following fixtures are presently leased _____ furnace, _____ gas conversion burner, _____ hot water heater, _____ Security/fire alarm.

d. The Donor will not remove any items from the property without notifying the Community Foundation.

e. The Donor has no knowledge of toxic waste substances being stored on the property or any adjacent property presently or in the past. (Hazardous or toxic waste or substances means any substance or material defined or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term by any applicable federal, state or local statute, regulation, or ordinance now or hereafter in effect.

f. The Donor has not engaged any agent or broker in connection with this transaction.

7. Conveyance and Title

Upon receiving the written acceptance of the contribution of the property, the Donor shall prepare for review and acceptance of a statutory warranty deed. The Community Foundation shall file the statutory warranty deed transferring the property to the Community Foundation.

8. Possession

The Community Foundation shall be entitled to possession of the property upon the filing of the Statutory Warranty Deed.

9 Professional Advice

The Community Foundation and Donor acknowledge that it is always advisable to have the terms and conditions of this Agreement reviewed by independent advisors and legal counsel.

10. No Other Agreements

The Community Foundation and Donor each acknowledge that there are no verbal or other Agreements which modify or affect this Agreement. Any and all future changes of this Agreement must be made in writing and signed by the Community Foundation and the Donor.