

# The Findlay-Hancock County Community Foundation

## Gift Acceptance Policy

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The mission of the Findlay-Hancock County Community Foundation is to improve the quality of life in Hancock County through collaborative leadership, responsible grantmaking, and the development of philanthropic giving.

### **I. Purpose.**

In order to achieve its mission, the Foundation must accumulate, through charitable gifts, a pool of assets sufficient to build community capital for future use with the corresponding obligation to support current and future community needs. This Gift Acceptance Policy Statement was adopted by The Findlay-Hancock County Community Foundation (“the Foundation”) to establish a clear understanding of the Foundation’s gift acceptance policy and practices. The purpose of this Policy is to provide guidelines for the acceptance of gifts by the Foundation to assure that each gift is structured to maximize benefits to the donor, the Foundation, the community and the beneficiaries of the Foundation’s charitable programs and activities, without encumbering the Foundation with a gift that generates costs disproportionate to its benefit, or that may be restricted in a manner not in keeping with the laws governing charitable gifts or the Foundation’s charitable purposes.

### **II. Scope.**

This Gift Acceptance Policy applies to all gifts received and accepted by the Foundation. Any exception to this policy requires the approval of the Board of Trustees.

### **III. Ethical Standards in Dealing with Donors.**

Every person acting for or on the Foundation’s behalf shall adhere to the standards set forth in *A Donor Bill of Rights* (See Appendix A.) and the *Model Standards of Practice for the Charitable Gift Planner*: <https://pppnet.org/modelstandards> [\(See Appendix B\)](#). Among those standards is the assurance that all information about a donation or contemplated donation will be handled by the Foundation with respect and with confidentiality to the extent provided by law.

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 costs, benefits and liabilities that could influence a donor’s decision, including but not limited to:

- The Foundation’s fees,
- The irrevocability of a gift,

- Prohibitions on certain 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,
- Investment policies, and
- Other information deemed necessary by the Foundation for donors to make an informed choice about using the Foundation as a vehicle of charitable gifts.

**Financial or tax calculations prepared by the Foundation are for illustrative purposes only and the Foundation shall have no liability to any prospective donor with respect to such calculations. All prospective donors are advised to seek the advice of independent financial, investment, tax and legal counsel prior to making a gift to the Foundation.**

#### **IV. Variance Power**

According to federal tax regulations, a fund will not be considered a component part of the Foundation unless, among other things, the Board of Trustees has the power to "modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served." Further, the Board of Trustees must be able to modify the restriction without obtaining the approval of any participating trustee, custodian, or agent of the Foundation. The Foundation's Board of Trustees must have this power to comply with regulations and protect donors and the Foundation from the need for complex and costly legal proceedings.

#### **V. Authority to Accept Gifts**

a. Acceptance by Officers & Designated Employees. Any of the Foundation's President, Development and Planned Giving Officer, and Chief Financial Officer may accept, for and on the Foundation's behalf, unrestricted gifts of any of the following:

- Cash
- Securities traded on a national exchange

b. Acceptance by the Gift Acceptance Committee. All other gifts require review and approval by the Foundation's Gift Acceptance Committee, including but not limited to gifts of the types listed below:

- Securities not traded on a national exchange including securities in closely-held entities
- Interests in entities other than securities, such as Partnership interests
- Limited liability company interests
- Accounts receivable (e.g., gifts of loans, notes, mortgages)
- Real property or interests in real property
- Intellectual property
- Mineral reserves
- Artwork, coin collections, jewelry, precious metals, and similar assets
- Merchandise or other inventory
- Grain in storage
- Life insurance policies

c. Time-Sensitive Gifts. Notwithstanding the Gift Acceptance Committee's authority above, gifts requiring immediate action (such as gifts in late December that require action before year-end) may be exempted from full Committee review if, in the Foundation President's judgment, in consultation with the Chairs of the Gift Acceptance Committee and the Board of Trustees, that gift may be accepted consistent with this Policy.

d. Timing of Review. Gifts requiring Gift Acceptance Committee review will be handled promptly. Immediately after action by the Gift Acceptance Committee, a member of the Foundation staff will notify the prospective donor if a gift is not accepted.

#### **VI. Authority to Negotiate and Sign Gift Agreements.**

Subject to this Policy and to the Gift Acceptance Committee and Board of Trustees' review and approval authority, the Foundation President and any staff member designated by the President for such purpose have the authority to respond to inquiries, negotiate with donors, assemble documentation, retain expert and technical consultants, and execute agreements on the Foundation's behalf.

#### **VII. Nonacceptance of Gifts.**

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 that prevents the Foundation from applying its Spending Policy to those assets in order to further the Foundation's 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 reasonably able to administer the terms of the gift in accordance with the donor's wishes.

## **VIII. Minimum Gift Amount/Seed Funds.**

### **(a) Minimum Gifts**

Subject to this Policy, the Foundation may accept gifts of any size to existing funds. The minimum gift amount for a new fund depends upon the purpose or nature of the fund. See Appendix C for details on gift types and current fund minimums.

### **(b) Seed Funds**

A new fund (a "Seed Fund") may be established with a lesser initial gift if the donor arranges regular payments to bring the Seed Fund to the minimum endowment level through additional gifts to the Seed Fund within a reasonable time frame, not to exceed 3 years. No grant may be made from any Seed Fund until the required minimum is reached. In the event it does not reach full endowment within three years, the proceeds of a Seed Fund will be transferred to the Community Endowment Fund, an unrestricted fund of the Foundation or other fund of the Foundation of the donor's choice, as specified in the instrument of transfer.

## **IX. Investment of Gifts.**

In making a gift to the Foundation, the donor gives up all right, title and interest to the contributed assets. In particular, the donor relinquishes the right to choose investments and investment managers or brokers, or to veto investment choices for the contributed assets. However, if permitted by law and if the size and nature of the gift warrants separate investment consideration, the Foundation will endeavor to accommodate requests from a prospective donor for the separate investment of funds managed by one or more *designated professional advisors*, consistent with the Foundation's Investment Policy. A *designated professional advisor* is defined as a particular individual designated by a donor who serves as his or her investment manager, broker or agent. If the gift is accepted by the Foundation subject to such a condition, an account may be managed by the designated professional advisor for an initial term of five years. At the end of a five-year term, the financial management engagement shall automatically be extended for an additional five year term, but only if, the average rate of return net of fees on the assets in the account is equal to or better than the Foundation's average rate of return net of fees on its pooled assets. If the account's average rate of return is less than the average rate of return on the Foundation's pooled assets for any five-year term, the Foundation shall have the sole and absolute discretion to continue or terminate the financial management engagement and transfer the funds into the pooled assets of the Foundation for financial management. In addition, upon retirement or death of the donor's designated investment advisor, the account will be closed and the assets will be transferred to the Foundation's investment pool. Except when such accommodation has been agreed to in writing, the Foundation reserves the right to make any or all investment decisions regarding

gifts accepted by it in accordance with its Investment Policy, as that Policy may be amended from time to time.

**X. 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, will be borne by the donor. The direct cost of holding and administering a gift will generally be paid out of the fund to which the gift was contributed in accordance with the Foundation's guidelines and fee schedules. The Foundation reserves the right to assess a set-up and administrative fee for contributed assets provided such fee is disclosed to the prospective donor in advance of a gift.

**XI. Fundraising by Donors.**

All fundraising undertaken by donors in connection with gifts to the Foundation must be done in accordance with the Foundation's Donor-Initiated Fundraising Policy, a copy of which is available on request. Any use of the Foundation's name or trademark is subject to the Foundation's prior approval.

**XII. Excess Business Holdings in 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 in question.

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 five years from the date the Foundation acquires the asset. If that is not possible, the asset will be transferred to a new or existing fund that is not a donor advised fund.

**XIII. Illiquid Assets.**

The Foundation's general policy is to promptly liquidate all contributed assets. On occasion, the Gift Acceptance Committee, in consultation with the Finance & Investment Committee,

may decide that it will not liquidate such assets immediately. Factors the Committee may consider in reaching such a decision include but are not limited to:

- 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.

Illiquid assets will be disregarded when the Foundation applies its Spending Policy.

#### **XIV. Types of Gift Assets.**

##### a. 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 card or wire transfer to the Foundation’s account.

##### b. Exchange-traded Securities

*General.* The Foundation accepts gifts of stocks, bonds and similar securities that are traded on national exchanges. As a general rule, such securities will be sold as soon as practicable after they are contributed to the Foundation. All proceeds from such sale, less commissions and expenses, are then credited to the component fund to which the securities were contributed. The Foundation may accept gifts of such securities 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.* An appraisal is not required so long as the security is not subject to any restriction, such as those imposed by contract or the Securities Exchange Commission. Where appraisal is not required, the value of the gift is determined by calculating the average of the highest price and the lowest price of the security on the date the security is received by the Foundation, provided the exchanges are open and the security trades on that day, otherwise on the first day thereafter that the security trades. For gifts of interests in mutual funds, the value is determined by averaging the closing price of the mutual fund on the last trading day before the gift is received by the Foundation and the day the gift is received.

c. Real Estate

*General.* All gifts of real property must be reviewed by the Gift Acceptance Committee, including but not limited to 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. 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:

- Determine whether the property is of 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 or other encumbrance, the debt or encumbrance is of a level that will not unduly burden the Foundation or adversely affect the marketability of the property.
- Perform a legal, market and financial analysis including an appraisal of market value, prior to acceptance of the gift to determine whether the gift represents a financially sound proposition for the Foundation.
- Weigh the Foundation's ability to effectively manage the property for the time necessary to sell it. 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.
- Evaluate whether any restrictions on the property desired by donor may 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 independently appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal. An appraisal is needed for documentation for donor's tax return.

*Distributions.* Distributions from real property held in a component fund are limited to the current spending policy applied to the net income generated by the property less fees assessed by the Foundation and any unrelated business tax imposed thereon.

*Liquidation.* The Foundation generally will seek to sell real property as soon as possible and generally will not accept gifts that the Gift Acceptance Committee believes cannot be liquidated at market value within two years.

*Accepting Gifts of Real Property.* Donors of real property must provide all information and documents requested by the Foundation at the earliest possible time prior to the acceptance of the gift. The Foundation may request additional information or documents when necessary to its legal, market and financial evaluation of the proposed gift.

Prior to accepting any gift of real property, a member of the Foundation staff or other authorized representative of the Foundation must visit the property to determine its nature and type and to identify any potential issues not evident from information supplied by the donor that might impact the gift.

*Environmental Assessment.* Before real property will be accepted as a gift to the Foundation, a prospective donor must provide at least a Phase I Environmental Report with disclosure of any environmental problems or statement that none exists. If any potential environmental issue is found through the Phase I assessment, a Phase II Environmental Report will be required at the donor's expense.

d. Securities Not Traded on National Exchanges.

*General.* Gifts of securities that are not traded on national exchanges, including stock of closely-held and S corporations, must be approved by the Gift Acceptance Committee. Subject to the Committee's approval, the Foundation may accept gifts of such securities 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 securities not traded on national exchanges that generate unrelated business income only if certain agreements acceptable to the Gift Acceptance Committee are reached with the donor and/or the issuer. 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 securities. Further, the donor must agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses, as needed. Finally, the agreement must require the donor to indemnify the Foundation against all liabilities associated with the gifted securities at the time of the gift.

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

*Distributions.* Distributions from closely-held or S corporation stock held in a component fund are limited to the current spending policy applied to the net 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 as soon as possible after it is contributed and generally will not accept gifts that the Gift Acceptance Committee believes cannot be liquidated within two years.

*Accepting Gifts of Securities Not Traded on National Exchanges.* The following apply to all proposed gifts of securities not traded on national exchanges:

- The Gift Acceptance Committee will review corporate governing documents to determine the rights and obligations associated with the securities and whether or not the Foundation should accept the gift in light of such rights. If required, the donor must obtain the issuer's consent to the gift as a condition to the Foundation's accepting the securities.
- The Gift Acceptance Committee will review the issuer's most recent tax returns and the donor's most recent IRS Form K-1 to determine the nature of the income associated with the securities (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 must be in place that provides for the payment of administrative expenses and unrelated business income taxes generated by the stock. The agreement must also require the donor to indemnify the Foundation against all liabilities associated with the gifted securities at the time of the gift.
- The donor must provide the Foundation with originals or copies all documents that relate to the duties and liabilities associated with the securities, including without limitation any Shareholder or Voting Agreements.

e. General Partnership Interests.

The Foundation generally does not accept gifts of general partnership interests due to the unlimited liability of general partners. Any exception requires the approval of the Foundation's Board of Trustees.

f. Other Limited Partnership Interests.

*General.* Gifts of limited partnership interests (other than limited partnership units traded on a national exchange) must be reviewed by the Gift Acceptance 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 Gift Acceptance Committee reserves the right to carefully screen all proposed gifts of limited partnership interests to determine whether the proposed gift represents a financially sound proposition for the Foundation.

The Foundation may accept gifts of limited partnership interests that generate unrelated business income only if certain agreements acceptable to the Gift Acceptance Committee are reached with the donor and/or the partnership. 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 must agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses, as needed. Finally, the agreement must require the donor to indemnify the Foundation against all liabilities incurred on account of the limited partnership interest up to the date of the gift.

*Appraisal.* Each gift of limited partnership interest must be independently appraised in accordance with federal tax law. The donor will be responsible for the costs of such appraisal.

*Distributions.* Distributions from limited partnership interests held in a component fund are limited to the current spending policy applied to the net income generated by the partnership less fees assessed by the Foundation and any unrelated business income taxes imposed on such income.

*Liquidation.* The Foundation will generally seek to redeem or sell limited partnership interests contributed to it as soon as possible and generally will not accept gifts that the Gift Acceptance Committee believes cannot be liquidated at market value within two years.

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

- The Gift Acceptance Committee 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, the donor must obtain the other partners' consent to the gift as a condition to the Foundation's accepting the gift.

- The Gift Acceptance Committee will review the donor's most recent IRS Form 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 must be in place that provides for the payment of administrative expenses and unrelated business taxes generated by the interest. The agreement must 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.

g. Limited Liability Company Interests

The same considerations given to gifts of limited partnership interests apply to gifts of interests in limited liability companies, and the same procedures apply.

h. Tangible Personal Property.

*General.* The Foundation accepts gifts of tangible personal 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 and the gift has sufficient value to justify the expenses or other resources required for such sale. The Foundation may accept gifts of tangible personal 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 tangible personal property for which the donor expects a charitable deduction exceeding \$5,000 must be independently appraised in accordance with federal tax law. The donor will be responsible for the costs of such appraisal.

*Liquidation.* The Foundation will generally seek to sell tangible personal property contributed to it as soon as possible and generally will not accept gifts that the Gift Acceptance Committee believes cannot be liquidated at market value within three years.

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

- The Foundation will review all prior appraisals and ownership 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 the estimated 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 will be charged against the sale proceeds, with the balance being credited to the fund to which the property has been contributed.

i. Life Insurance

*General.* The Foundation may accept gifts of new or existing 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 may be surrendered. The Foundation may accept gifts of a life insurance policy in any amount to any existing fund. Gifts of a life insurance policy 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 independently appraised in accordance with federal tax law. The donor will be responsible for the costs of such appraisal.

**XV. Deferred Gifts and Planned Giving.**

Deferred gifts are those whose benefit does not fully accrue to the Foundation until some future time, or whose benefit is shared with other beneficiaries. The Foundation's representatives are authorized to solicit gifts through wills, as well as through gift annuities or charitable trusts. The Foundation will work closely with a prospective donor and, at the request of the donor, confer with the donor's financial advisors to realize such a gift. In cases where the potential gift is complex, the President of the Foundation may request review by the Gift Acceptance Committee. For most deferred gifts, the Foundation will ask for a nonbinding Letter of Intent from the donor containing reference to the asset that will fund the gift, as well as instructions to the Foundation for how to administer the gift, including an alternative plan if the original instructions cannot be followed.

Deferred gifts include but are not limited to the following:

a. By Will (Bequests)

The Foundation will generally accept bequests from a donor who has directed that certain assets be transferred to the Foundation and honor the wishes of the donor as expressed, but the Foundation reserves the right to refuse any bequest that is inconsistent with this Gift Acceptance Policy. 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 there is no stipulation for anonymity in the will.

b. Retirement Plans or IRA Accounts

Subject to limitations imposed by Internal Revenue Service Regulations, 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. However, the Foundation reserves the right to refuse any bequest as necessary and appropriate consistent with this Gift Acceptance Policy.

c. 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). The Foundation strongly encourages donors to consult their own legal counsel and tax advisors to create any life income gift. Options include:

i. Charitable Remainder Trusts

A charitable remainder trust makes payments to one or more beneficiaries for their lifetimes, or for a fixed term, or a combination of both. To establish a charitable remainder trust, the donor conveys assets to a trust from which the beneficiaries are paid for a period of time, and when the trust term ends the remainder of the assets in the trust passes to the Foundation for its charitable purposes. The donor determines whether the payout will be fixed (a charitable remainder annuity trust) or variable (a charitable remainder uni-trust). The donor may name either the Foundation or a Trustee approved by the Foundation to manage the trust; provided that the Foundation will agree to act as Trustee only if (1) the initial contribution is greater than \$100,000 and (2) the Foundation will receive a remainder interest of the lesser of 50% of the initial contribution or \$250,000. A charitable remainder trust may be established during a donor's lifetime or by will.

ii. Charitable Lead Trust

A charitable lead trust first makes distributions to the Foundation for a specified period, with the remainder reverting to the donor or other beneficiaries at the end of the period. To establish a charitable lead trust, the donor conveys assets to a trust from which the Foundation receives funds over a period of time for its charitable purposes, and when the trust term ends the remainder of the assets in the trust passes to the beneficiaries. The donor determines the terms of the payments to be made and must name a Trustee approved by the Foundation to manage the trust. It may be set up during a donor's lifetime or by will.

iii. Charitable Gift Annuity

A charitable gift annuity is a gift of cash or securities that provides a specified lifetime income, either immediate or deferred, to the donor or other beneficiary, with any sum remaining at the death of the donor or beneficiary retained by the Foundation. A charitable gift annuity is a contract between the donor and the Foundation and is backed by the assets of the Foundation. A charitable gift annuity is in part a charitable gift and in part the purchase of an annuity.

iv. Life Estate

A donor may wish to contribute real estate, such as a personal residence or farm, to the Foundation but retain the right to use the property until the death of the last remaining life tenant. Upon the death of the last remaining life tenant, the Foundation would own the entire interest in the real property. The same considerations given to other gifts of real property apply to gifts of real property encumbered by life estates.

**XVI. Refusal of gifts**

Notwithstanding any statement in this Policy to the contrary, the Foundation staff, the Gift Acceptance Committee or Board of Trustees may refuse any proposed gift if it believes that acceptance of the gift presents an undue cost or risk to the Foundation, is not consistent with the mission of the Foundation, or is otherwise not in the best interest of the Foundation.