



taos community foundation

Policy for Gift Acceptance

**Policy revised:
June 4, 2019
September 28, 2007**



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Policy for Gift Acceptance

PURPOSE

This policy serves as a guideline to members of Taos Community Foundation (TCF) staff involved with accepting gifts, to outside advisors who assist in the gift planning process and to prospective donors who wish to make gifts to TCF. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis.

All contributions are reviewed by the Foundation Director, and the Finance Director to insure we address the excess business holding rules. All contributions to donor advised funds are carefully reviewed by the Foundation Director, and the Finance Director to insure that TCF addresses the "excess business holding rules" of the Pension Protection Act of 2006. Specifically, gifts to a donor advised fund will not be accepted if the gift results in the holdings of that fund in a business enterprise exceeding twenty percent (20%) of the voting stock of an incorporated business or twenty percent (20%) of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity. A gift shall not be accepted if the gift would result in a donor advised fund the ownership of an unincorporated business that is not substantially related to the fund's purposes. Should there be questions regarding any gift, it will be reviewed by the Board of Directors (BOD). Further TCF will liquidate all contributions in the form of securities, real estate, life insurance, tangible personal, as soon as practicable in the manner set forth below.

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CASH

1. All gifts by check shall be accepted by TCF regardless of amount.
2. Checks shall be made payable to TCF or to a particular program or project at TCF. In no event shall a check be made payable to an individual who represents TCF.

PLEDGES

Multi-year pledges may be payable in single or multiple installments and must have a value of at least \$1,000. The pledge may not exceed 5 years in duration. All donors must complete a pledge form or confirm the pledge in writing.

PUBLICLY TRADED SECURITIES

1. Readily marketable securities, such as those traded on a stock exchange, can be accepted by TCF.
2. Gift securities will be sold immediately.
3. TCF will record value of the gift as the amount of cash received from the sale. TCF will provide the donor with the average of the high and low on the date the securities are sold. The donor and his/her tax advisor have the responsibility to determine the value of the gift for the donor's tax purposes.

CLOSELY HELD SECURITIES

1. Prior to acceptance on any such gift, the Finance Director shall explore methods of liquidation for the securities through redemption or sale to determine whether a market exists and the sale can be accomplished with a reasonable time. The Finance Director shall try to contact the closely held corporation to determine:

- An estimate of fair market value
- Any restrictions on transfer
- Any recent sales

If the BOD determines that an appraisal is necessary, the donor will be responsible for the cost of the appraisal. The appraiser will be chosen by the BOD.

2. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

REAL ESTATE (SEE THE FOUNDATION FOR PROPERTY GIFTS, INC., REAL PROPERTY GIFT ACCEPTANCE POLICY)

IN-KIND GIFTS

Gifts of necessary professional services can be accepted by the Foundation Director. These gifts will be accepted, and with an assigned dollar, at market rate, determined by the donor.

LIFE INSURANCE

1. TCF will accept life insurance policies as gifts only when TCF is named as the owner and beneficiary of 100% of the policy.
2. If the policy is a paid-up policy, the value of the gift for gift crediting and accounting purposes is the policy's replacement cost.

3. If the policy is partially paid up, the value of the gift for gift crediting and accounting purposes is the policy's cash surrender value. (Note: For IRS purposes, the donor's charitable income tax deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)

TANGIBLE PERSONAL PROPERTY

1. Prior to acceptance on any such gift, the Finance Director shall explore methods of liquidation for the securities through redemption or sale to determine whether a market exists and the sale can be accomplished with a reasonable time.
2. Gifts of tangible personal property should have a use related to TCF's exempt purpose.
3. Gifts of jewelry, artwork, collections, equipment, etc. may be accepted after review and approval of the BOD.
4. Such gifts of tangible personal property defined above shall be used by or sold for the benefit of TCF.
5. No property that requires special display facilities or security measures shall be accepted without consultation with the BOD.
6. Depending upon the anticipated value of the gift, a qualified outside appraiser shall value the gift before it is accepted. The donor is responsible for the cost of the appraisal.
7. TCF adheres to all IRS requirements related to disposing gifts of tangible personal property and filing appropriate forms.

PLANNED GIFTS

TCF offers the following planned gift options when TCF is a beneficiary/remainderman.

1. Charitable gift annuities
2. Deferred gift annuities
3. Bequests

Charitable Gift Annuities

1. Administrative fees shall be paid from the income (as defined by state law) earned on the charitable gift annuity.
2. There shall be no more than 2 beneficiaries on a charitable gift annuity.
3. The minimum gift accepted to establish a charitable gift annuity is \$100,000.

4. TCF follows the American Council on Gift Annuities suggested rates. Rates are capped at 12%.
5. TCF must be 100% remainderman.

Deferred Gift Annuities

1. Administrative fees shall be paid from the income (as defined by state law) earned on the charitable gift annuity.
2. There shall be no more than 2 beneficiaries on a deferred gift annuity.
3. The minimum gift accepted to establish a deferred gift annuity is \$100,000.
4. TCF follows the American Council on Gift Annuities suggested rates. Rates are capped at 12%.
5. TCF must be 100% remainderman.

Bequests

1. The development staff shall encourage assets transferred through bequests that have immediate value or can be liquidated. Gifts that appear to require more cost than benefit shall be discouraged or rejected.
2. Donors who have indicated that they have made a bequest to TCF may, depending upon the individual situation, be asked to disclose, in writing or by copy of the will, the relevant clause that benefits TCF as evidence of their gift. This information is used for internal financial purposes and is not binding on the donor and **will be kept confidential at all times.**
3. TCF's objective will be to have any bequest qualify as a component fund of the foundation.

MISCELLANEOUS

Gifts not described above or gifts that place any unusual responsibilities or risks on TCF will be discussed with the BOD before any commitment is made on behalf of the TCF.

ENDOWED FUNDS

1. To establish select endowed funds, the following minimum levels must be in the initial gift plus a \$250 set-up fee. These minimums and fees are subject to change by the Board of Directors of the Foundation:

Unrestricted	\$ 10,000
Field-of-Interest	\$ 10,000
Donor Advised	\$ 10,000
Designated	\$ 10,000
Scholarship	\$ 10,000
Agency Endowment	\$ 10,000

ADMINISTRATIVE ISSUES

1. TCF shall not act as an executor (personal representative) for a donor's estate.
2. TCF may act as co-trustee on a charitable remainder trust when the trust names TCF as the beneficiary of 50%.
3. TCF may pay for the drafting of legal documents for an irrevocable charitable remainder trust when TCF is named as a beneficiary of 50% or more of the trust. The donor's own counsel must review the documents at the donor's cost.

LEGAL AND TAX COUNSEL

The donor should have legal counsel representing him or her in most planned and outright gift transactions. Legal counsel should review and approve the language of any document and the viability of the planned gift design within the context of the donor's financial and estate plans.

If the donor wishes to receive a recommendation for legal counsel, the Foundation Director can provide the donor with suggested names.

If the donor wishes to proceed with his or her gift without the benefit of his or her own attorney, the Foundation Director must make clear to the donor in writing that his or her interests are not being represented by counsel.

APPRAISAL

Generally, if a donor intends to claim a deduction of more than \$5,000 for a non-cash gift either outright or in trust, the IRS requires the donor to obtain a qualified appraisal and report a summary of that appraisal on IRS Form 8283. Exceptions to this general rule are: (1) if the gift consists of publicly traded securities, no appraisal is required; and (2) if the gift consists of closely held stock, an appraisal is required for gifts exceeding \$10,000. The Finance Director will

acknowledge the appraisal summary on Form 8283. A copy of the signed appraisal will be retained in the fund file. (The IRS qualified appraisal rules should be reviewed before processing a gift requiring an appraisal.)

TCF's Foundation Director reserves the right to obtain and pay for an additional appraisal if he/she determines that it is prudent to do so.

TCF must inform donors that if a non-cash gift for which the donor was required to file the Form 8283 is sold within two years of the date of gift, TCF, as required by law, will complete and submit IRS Form 8282 to the IRS, reporting the amount for which the asset was sold.

Generally, unless special circumstances exist, TCF will use its best efforts to sell a non-cash gift as soon as possible and at the highest value available.

ETHICS

1. Donor Relations

TCF considers the donor's intent and circumstances to be of the utmost importance. Every effort will be made to ensure that each gift is beneficial to, and in the best interest of, both TCF and the donor. Factors considered in this assessment include the donor's charitable intent, financial position, and the effect of the gift on the donor's individual estate, potential heir disputes, and the donor's mental state.

2. Legal Representation

Whenever counsel for TCF, either general or outside counsel, acts as an adviser to the donor, the CEO or the Development Director will notify the donor of a potential conflict of interest. Activity that might be seen as a conflict of interest includes the drafting of wills and possibly the drafting of trust agreements.

3. Culture

The TCF intends to create a culture of donor service to the extent made possible by the law. In all situations, TCF recognizes that individuals, who make gifts, either outright or deferred, are almost always trying to help TCF and its mission. It is in that context that these guidelines have been developed.