

**IDAHO COMMUNITY FOUNDATION, INC.  
GIFT ACCEPTANCE POLICY**

**PURPOSE**

The purpose of this statement is to articulate the policies of the Board of Directors of the Idaho Community Foundation, Inc. (the “Foundation”) concerning the acceptance of charitable gifts to the Foundation. The Investment Committee will adopt appropriate procedures to implement these policies.

**RESPONSIBILITY TO DONORS**

The Foundation, its staff and representatives shall endeavor to assist donors in accomplishing their philanthropic objectives in providing support for the Foundation.

Information concerning all transactions between a donor and the Foundation shall be held by the Foundation in strict confidence, as per the terms of the Foundation’s Confidentiality Policy, subject to legally authorized and enforceable requests for information by governing agencies and courts, and may be publicly disclosed only with the written permission of the donor. The Foundation shall respect the wishes of donors that would like to support the Foundation anonymously and will take reasonable steps to safeguard those donors’ identity.

Each prospective donor to the Foundation shall be informed that the Foundation does not provide legal, tax or financial advice, nor appraisals or other statements of value, and shall be encouraged to discuss all charitable gift planning decisions with his or her legal, financial or tax advisor before entering into any commitment to make a gift to the Foundation.

**LEGAL COUNSEL**

The Foundation may seek legal counsel in matters related to acceptance of gifts when appropriate, and as outlined in the Gift Acceptance Procedures.

**GIFT RESTRICTIONS**

The Foundation will reserve the right to broaden or alter the purpose of the restricted gifts should it be determined in the future that the original purpose of the gift no longer meets the needs or serves the mission of the Foundation, as stated in each fund agreement.

**GIFT OPTIONS**

The President (or designee) of the Foundation has the authority to accept the following types of gifts:

- Cash or cash equivalents
- Checks
- Publicly traded securities
- In kind donations
- Gifts of personal property to be used in the Foundation office

All other gifts must be presented to the Investment Committee of the Foundation for review, which has the authority to accept certain gifts on behalf of the Foundation without prior approval of the Board of Directors per the Foundation bylaws. The Investment Committee will review gifts in a timely manner and with respect to marketability. These gifts include:

- Real estate (see also Real Estate Acceptance Policy and Procedures for details)
- Privately held stock
- Partnership and limited liability company interests
- Gifts of tangible personal property (art, jewelry, automobile, etc)
- Life insurance policies

The Foundation also accepts a future interest in property. These gifts will not be recorded into the Foundation's assets until such time as the future interests become present interests. These gifts include:

- Bequests
- Payments from a charitable gift annuity established at another institution, in which ICF is named as a beneficiary
- Payments from a charitable remainder trust established at another institution, in which ICF is named as a beneficiary
- Payments from a charitable lead trust established at another institution, in which ICF is named as a beneficiary

The Foundation reserves the right to refuse any gift it believes is not in the best interests of the Foundation.

## **ACKNOWLEDGMENT OF GIFTS**

The Development Officer and Controller shall be responsible for ensuring all gifts will be appropriately acknowledged in a timely manner.

## **NAMED FUNDS**

The Foundation is composed of a variety of grant making funds designed to be responsive to the donor's charitable concerns and community needs. While all philanthropy adds value to a community, each type of Foundation fund can support a variety of objectives to enhance philanthropy in the community. The President (or designee) will review and sign all fund documents related to the creation of new funds.

A donor may establish a named endowment fund, subject to the Foundation's endowment, investment and spending policies. These funds include:

- Greatest Need Fund (unrestricted) – grants made at discretion of Foundation Board of Directors to achieve broad charitable purposes - \$5,000 minimum to set up fund
- Donor Advised Fund – fund advisors actively participate in grant making recommendations - \$25,000 minimum to set up fund
- Field of Interest Fund – fund advisor recommends grants to specific geographic areas or specific types of programs - \$25,000 minimum to set up fund
- Designated Fund – earmarked for one or more charitable organizations - \$25,000 minimum to set up fund
- Scholarship Fund – grants for educational assistance - \$50,000 minimum to set up fund
- Agency Fund – grants to participating agency for use as its governing Board deems appropriate - \$50,000 minimum to set up fund

A donor may also establish a named non-endowed fund, subject to the Foundation's investment and spending policies. These funds include:

- Philanthropic Gift Fund (donor advised) – fully expendable fund in which fund advisors actively participate in grant making recommendations - \$10,000 minimum to set up fund
- Special Project Fund – temporary fund in which money raised is used for a specific purpose in the community

## **PLEDGES**

For endowed funds, a donor may make a gift in the form of cash, or pledge payable over five years to reach the minimum fund requirement. The payments received on the pledge can be in any amount and made at any time during those five years. Any fund which has not met the minimum requirement in five years will be terminated and the balance will be redistributed in accordance with the direction stated in the fund agreement.

A donor may set up a non-endowed Philanthropic Gift Fund with a pledge payable in one year.

The Controller and Development Officer are responsible for recording, acknowledging, billing, and monitoring the status of all pledges and payments.

## **DONOR AND GIFT EXPENSES**

As a general rule, and except as provided elsewhere in the Gift Acceptance Procedures for specific assets, expenses associated with the acceptance of a gift should be borne by the donor. Typical expenses may include attorney fees, accounting fees, other

professional fees, as well as other costs to establish a gift such as appraisal, escrow, evaluation and environmental assessment fees.

The direct costs of administering outright and planned gifts of the Foundation will be borne from the assets of the individual funds, except for those special circumstances as determined by the Investment Committee. Investment and administrative fees will be paid from the respective funds in accordance with the Foundation's Management Fee and Fund Administration policies.

## **EXCESS BUSINESS HOLDINGS**

The Foundation shall not accept any gift of an interest in a business enterprise designated for a donor advised fund where the gift constitutes an "excess business holding." The "excess business holdings" of a foundation are the amount of stock or other interest in a "[business enterprise](#)" that exceeds the permitted holdings. The Foundation, together with "disqualified persons" holding an interest in the business enterprise, is permitted to hold no more than a 20% interest in (a) the voting stock of the business if the business is incorporated; (b) the profits interest of the business if the business is a partnership; or (c) the beneficial interest of a trust or similar entity if the business operates as a trust; or (d) the ownership of a business, if the business is unincorporated. The definition of "business enterprise" and "disqualified persons" is attached hereto as Appendix A. If the Foundation receives a gift which is later determined to constitute an "excess business holding," the Foundation shall dispose of such interest by sale or exchange within 90 days of discovery.

## **FIDUCIARY RESPONSIBILITY**

Unless approved in advance by the Investment Committee, the Foundation shall not agree to serve as executor of a decedent's estate or a trustee of a living trust or other trust intended to serve as a person's primary estate planning document.

## **COMMITMENT OF FOUNDATION ASSETS**

The Foundation shall issue charitable gift annuities to donors, in exchange for their contributions and establishment of an endowed fund, using annuity rates published by the American Council on Gift Annuities.

The Foundation shall not accept any interests in partnerships or other investment entities exposing the Foundation to liability, including the obligation to provide capital contributions or other funding for the investment, without adequate indemnity from the donor to fulfill those obligations.

While the Foundation encourages gift of real estate, potential liability of the Foundation arising from real estate should be minimized pursuant to the Real Estate Acceptance Policy and Procedures adopted by the Investment Committee.

## **ETHICAL STANDARDS**

The Foundation is committed to the highest ethical standards. Development and donor relations staff at all levels of the organization shall adhere to the National Committee on Planned Giving (NCPG)'s *Model Standards of Practice for the Charitable Gift Planner*, and the Association of Fundraising Professionals (AFP)'s *Donor Bill of Rights*.

## **DELEGATION**

Implementation of these policies is delegated to the Development Officer of the Foundation, who shall be responsible for oversight of the acceptance of all gifts by the Foundation. The Board of Directors shall delegate to the Investment Committee the responsibility of approving Gift Planning and Acceptance Procedures to implement these policies. The Development Officer may, from time to time, propose to the Committee revisions to the procedures.

## **APPROVAL OF EXCEPTIONS**

Acceptance of gifts to the Foundation in a manner that is in any way inconsistent with this statement of policy must be approved by the majority of the Investment Committee present, followed by the approval of the majority of the Board of Directors at its next regular meeting.

## **PERIODIC REVIEW**

The Investment Committee should periodically (but no less frequently than every five years) review these policies to ensure that they continue to accurately describe the policies of the Foundation with respect to acceptance of charitable gifts, and shall propose to the full Board of Directors for adoption of those revisions that the Committee shall determine to be necessary or appropriate in order for this Statement of Policy to accurately reflect the policies of the Foundation.

These policies should be reviewed and ratified by the Board of Directors each time the Board determines the Foundation will embark on a capital or other major fundraising campaign. These policies should also be reviewed upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by the Foundation, to assure continued compliance by the Foundation with relevant legislation and rules.

This Gift Acceptance Policy is effective the 14th day of May, 2015 and is intended to replace all prior versions.

## Appendix A

### **Business Enterprise**

The term *business enterprise*, in general, includes the active conduct of a trade or business including any activity that is regularly carried on for the production of income from the sale of goods or the performance of services and that constitutes an [unrelated trade or business](#) under section 513 of the Code. The term does **not** include a [functionally related business](#), a trade or business that obtains at least 95 percent of its [gross income from passive sources](#), or [program-related investments](#).

### **Disqualified Persons**

For the rules relating to [private foundation excise taxes](#), the following persons are considered *disqualified persons* with respect to a private foundation:

1. All [substantial contributors](#) to the foundation,
2. All [foundation managers](#) of the foundation,
3. An owner of more than 20 percent of--
  - a. The total combined voting power of a corporation,
  - b. The profits interest of a partnership, or
  - c. The beneficial interest of a trust or unincorporated enterprise, which is, during the ownership) a [substantial contributor](#) to the foundation,
4. A [member of the family](#) of any of the individuals described in (1), (2), or (3),
5. A corporation of which more than 35 percent of the total combined voting power is owned by persons described in (1), (2), (3), or (4),
6. A partnership of which more than 35 percent of the profits interest is owned by persons described in (1), (2), (3), or (4),
7. A trust, estate, or unincorporated enterprise of which more than 35 percent of the beneficial interest is owned by persons described in (1), (2), (3), or (4),
8. For purposes of the [tax on excess business holdings](#) only, another private foundation that either--
  - a. is effectively controlled, directly or indirectly, by the same person or persons who control the private foundation in question, or
  - b. receives substantially all of its contributions, directly or indirectly, from the same persons described in (1), (2), or (3), or members of their families, who made, directly or indirectly, substantially all the contributions to the private foundation in question, and

For purposes of the [tax on self-dealing](#) only, a [government official](#)