



The Gift Acceptance Policy of the Community Foundation Tampa Bay (hereinafter the "Foundation") encompasses the solicitation and acceptance of outright gifts, planned gifts and testamentary gifts and the establishment of all funds for all purposes in agreement with the objectives of the Foundation.

### **Authorization**

Planned and testamentary gift types include bequests, charitable gift annuities, charitable remainder trusts, charitable lead trusts, retained life estates, gifts of life insurance or retirement assets, interest in business entities such as partnerships or closely-held stock, and such other gift arrangements as the Board may from time to time approve. All gift acceptance programs, solicitation plans, and activities shall be subject to the oversight of the Board.

### **Purpose of Gifts**

The purpose of all gifts to the Foundation must relate to the mission of the Foundation, which is to build a better community through creative philanthropy, vision and leadership. The purpose of the gift and the procedures for its administration shall, when feasible, be defined in a letter or agreement signed by the donor.

### **Roles and Responsibilities**

In accordance with the bylaws of the Foundation, the Executive Committee of the Board of Trustees shall constitute the gift acceptance committee. The primary responsibilities of this committee shall be to review proposed gift transactions using the criteria specified on page 3. The committee shall also periodically review and approve gift acceptance guidelines for planned gifts, consistent with established policies and guidelines and in compliance with Internal Revenue Service regulations.

### **Policies**

The policy of the Foundation is to inform, serve, guide or otherwise assist donors who wish to support the Foundation's activities. It is expressly not the policy of the Foundation to engage in undue influence in these matters.

All information concerning donors and prospective donors shall be held in strict confidence by the Foundation, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for or releases of information concerning a donor or prospective donor will be honored or allowed only if permission is obtained from the donor prior to the release of such information or in the event that the donor is no longer living, the approval of the Executive Committee. Persons acting on behalf of the Foundation shall encourage the donor to discuss the proposed gift with the legal and/or tax advisors of the donor's choice, at the donor's expense. This is to ensure that the donor receives a full, accurate, and independent explanation of all aspects of the proposed charitable gift.



All fund agreement templates used by the Foundation shall initially be reviewed and approved as to form by the Foundation's legal counsel. Any material modifications to existing templates will also be reviewed and approved by the Foundation's legal counsel.

The Foundation will accept charitable gift annuities only under conditions described below.

The Foundation may serve as trustee of irrevocable charitable remainder trusts and charitable lead trusts or as co-trustee with a trust institution or individual, when it is irrevocably named as the sole charitable beneficiary. However, it may serve in select circumstances when it is not the sole beneficiary if, in the judgment of the Executive Committee, the interests of the Foundation will be best served. The Foundation may employ one or more financial managers for the administration and investment of trust assets. Expenses related to investments and administrative services shall be charged to the respective trusts.

The Foundation will not serve as trustee or co-trustee of any revocable trusts or of other trusts that are not qualified charitable remainder trusts or charitable lead trusts.

### **Gift Acceptance Guidelines and Procedures**

In reviewing gifts to the Foundation, the Executive Committee and/or staff will consider the following criteria:

- The charitable intent and ultimate community benefit
- The nature of any restrictions
- The permanency of the gift; or in the case of a non-permanent fund, the amount of time the fund will remain with the Foundation
- Projected costs of managing the gift asset
- Fee revenues to the Foundation for administering the gift. Foundation staff may determine fee structure when appropriate.

Acceptance of gifts consistent with the purposes, bylaws, and procedures of the Foundation shall not require review by the Executive Committee if the gifts are in any of the following forms:

- Marketable securities;
- Cash;
- Checks;
- Gifts of usable furniture and equipment for the offices or programs of the Foundation;
- Paid-up life insurance policies preferably where the Foundation is the owner and beneficiary;
- Bitcoin;
- Tangible Personal Property
- Charitable remainder trusts, charitable lead trusts, or charitable gift annuities, if funded with cash or publicly traded securities.



Gifts requiring review and approval of the Executive Committee include the following:

- Gifts of real estate. The donor will be required to provide an independent appraisal and an environmental review (see Appendix A) as well as a description of the property. The Committee will review these documents as well as consider any liabilities, restrictions or other conditions related to the gift. These policies also will apply to any other asset that has real estate holdings as an element of its value (e.g., certain limited partnerships or other business entities);
- Interests in business entities where the interest is not represented by marketable securities (i.e., closely held securities, partnership and limited liability company interests);
- Charitable remainder trusts, charitable lead trusts, or charitable gift annuities, if funded with assets other than cash or publicly traded securities;
- Retained life tenancy in a residence, ranch or farm;
- Arrangements where the donor receives fees for services to the Foundation
- Gifts to establish funds for a purpose that may fall outside the mission, bylaws and procedures of the Foundation.

Every gift of an illiquid asset (tangible personal property, real estate, life insurance policies other than those named above, non-publicly traded securities, oil and gas, and all other gifts) or gifts not in compliance with these policies shall be reviewed and approved by the committee prior to acceptance. In the case of such illiquid assets, The Community Foundation will not release any monies from a fund prior to the liquidation of the assets. Fees for illiquid assets may be assessed in arrears upon liquidation of the asset. (Procedures for accepting illiquid assets can be found in **Appendix A for Real Estate** and **Appendix B for Private Securities and Tangible Personal Property.**)

Gifts requiring committee review will be handled promptly. Foundation staff will deliver to the chair of the committee all information necessary to make a decision. If a gift is not accepted, the donor will be notified in writing by staff immediately. All gift reviews will be handled with confidentiality.

***Notation:*** Gifts requiring immediate action (e.g., gifts on December 31, or pending sale of property) may be exempted from Executive Committee review if, in the judgment of the President, and in consultation with available members of the Executive Committee, that gift may be accepted without significant reservations or in any way jeopardizing the Foundation's tax exempt status.



## Funds

The Foundation establishes component funds in response to community needs and donors' charitable concerns. The Board of Trustees of the Foundation has responsibility for acceptance, management and disposition of component funds. Options for fund structures at the Foundation include the following:

### **Donor Advised Funds (Minimum \$10,000)**

Donor advised funds are established and advised by donors. Two advisors and one successor advisor can be named. Grants to nonprofits can be recommended at any time.

### **Family Foundations (Minimum \$100,000)**

Family Foundations are established by donors and often their families. Multiple and unlimited successor advisors can be named. Special services in support of family philanthropy, including educational and collaborative opportunities, are offered.

### **Reserve Funds (Minimum \$25,000)**

Nonprofit organizations establish these funds to hold and invest unrestricted reserve funds. Funds are available for withdrawal in whole or in part.

## Endowments

### **Community Impact (Minimum \$10,000)**

Community Impact endowments are established with unrestricted gifts from donors to support Foundation initiatives. Grants are directed by the Foundation's Grants Committee and approved by the Board of Trustees according to its annual spending policy.

### **Agency (Minimum \$25,000)**

Agency endowments are established by the nonprofit organizations for their benefit. Grants to the nonprofit are made twice a year according to the annual spending policy of the Board of Trustees. Nonprofits may waive distributions at any time to build the endowment.

### **Designated (Minimum \$10,000)**

Designated endowments are established by donors to benefit a specific nonprofit. Grants to the nonprofit are made twice a year according to the annual spending policy of the Board of Trustees.

### **Field of Interest (Minimum \$25,000)**

Field of Interest endowments are established with restricted gifts from donors to support specific philanthropic causes but not specific nonprofits. Grants are directed by the Foundation's Grants Committee and approved by the Board of Trustees according to its annual spending policy.



### **Scholarships (Minimum \$25,000)**

Scholarships are established by donors to provide financial support for the education of qualified candidates. Grants are directed by an independent selection committee from the named college, university, or high school or by an education foundation or corporation. Scholarships may be either endowed or non-endowed.

### **Gifts**

#### **Asset Types**

The Foundation will accept gifts in the form of the following assets, subject to the conditions described below. In order to provide written substantiation for gifts over \$250, the donor's name and address must be provided. Documentation of receipt will be provided to the donor in each case in compliance with current IRS regulations.

#### **Cash**

Gifts of cash should be paid to the Foundation accompanied by a written document (fund agreement, letter or other written instruction) signed by the donor indicating to which fund the contribution should be credited.

#### **Checks**

Must be made payable to the Foundation. The specific fund for which the check is intended should be noted in the bottom left corner of the check, or in attached correspondence.

#### **Cryptocurrency**

Gifts of the cryptocurrency known as Bitcoin may be accepted by the Foundation without approval of the Executive Committee. Gifts of any other type of cryptocurrency shall require review by the Executive Committee on an individual basis. Gifts of Bitcoin shall require the donor's name, address, birthdate and contact information to include email address and cell phone number. All digital assets shall be converted to U.S. dollars upon receipt.

#### **Pledge Receivables**

Written pledges to make gifts may be made applicable to any fund at the Foundation. A schedule of pledges receivable should be included in the fund agreement, letter or other written instruction from the donor.

#### **Marketable Securities**

Publicly traded stocks and bonds may be electronically transferred, re-registered in the name of the Foundation, or conveyed through use of a stock power form. The Foundation also will accept interests in mutual funds. It is the policy of the Foundation to sell securities upon receipt. Stock controlled under Securities and Exchange Commission Rule 144 will be held until the restriction on sale expires and then will be sold. Gifts of bonds that require a holding period may be accepted and cashed when the holding period has expired.



Unacceptable securities include those which are assessable or which in any way may create a liability; those that, by their nature, may not be assigned (such as series E savings bonds); those that have no apparent value.

### **Interests in Business Entities**

Donors may make gifts of interests in business entities (i.e., closely held marketable securities, limited partnership interests, interests in limited liability companies). These can be accepted if the Foundation assumes no liability in receiving them. In evaluating a gift proposal of such assets, the Executive Committee may consider the probability of conversion to a liquid asset within a reasonable period of time, projected income that will be available for distribution and administrative fees, and the nature of the business from which the asset is derived.

A letter from the attorney drafting the partnership agreement or articles of organization must accompany gifts of limited partnership interests or interests in limited liability companies, providing the following information:

- Independent appraisal of value of the subject entity and statement of the percentage of the entity to be gifted to the Foundation;
- Assurance that the Foundation will be held harmless in the event the entity becomes bankrupt or is otherwise unable to satisfy its obligations;
- Assurance that the Foundation will be held harmless in the event the entity is sued.

The Foundation does not accept gifts of general partnership interests due to potential unlimited liability.

In cases where an interest gifted to the Foundation is promptly liquidated, but its value is less than the minimum required to establish a fund, the gift generally shall be directed to the Foundation's Community Impact Fund. The donor generally shall not have the option to direct such a gift unless it is to one of the Foundation's existing funds.

If an interest in a business entity that meets the criteria for acceptance set forth above cannot be promptly liquidated, and the documented present value of the interest meets or exceeds the minimum requirement, that interest may be credited to a new, named component fund at the Foundation. The fund may be treated as a donor advised, designated, scholarship, field of interest, or Community Impact Fund as requested by the donor. Grants may be made only from income generated by the business interest or from other liquid assets in the component fund, provided the fund's documented present value remains at least at the minimum acceptance level.



### Treatment of Excess Business Holdings for Donor Advised Funds

Notwithstanding any other provision hereof, the Foundation shall not accept any gift of a business interest in a business enterprise for a donor advised fund that would likely subject the Foundation to tax under section 4943 of the Internal Revenue Code regarding 'excess business holdings.' Any potential gift that would result in a donor advised fund holding:

- 20% or greater interest in a business or in an entity, or
- Any interest in an entity in which any ownership interest is held by a donor or advisor to the donor advised fund, by a family member of any such person, or by an entity in which any of the foregoing persons has an interest (all known as disqualified persons),

shall be referred to the Foundation's legal counsel for a determination on the potential application of Code Section 4943. To the extent that such assets would constitute or become excess business holdings and they are accepted in a donor advised fund, the Foundation will ensure disposal of the assets within the time periods prescribed by the tax law. The Foundation will notify potential donors of such requirements prior to the acceptance of such gifts.

Ownership of unincorporated business enterprises that are not substantially related to the fund's purposes is also prohibited.

A "business enterprise" is the active conduct of a trade or business, including any activity which is regularly carried on for the production of income from the sale of goods or the performance of services. Specifically excluded from the definition are:

- Holdings that take the form of bonds or other debt instruments unless they are a disguised form of equity
- Income from dividends, interest, royalties and from the sale of capital assets
- Income from leases unless the income would be taxed as unrelated business income
- "Functionally-related" businesses and program-related investments
- Businesses that derive at least 95 percent of their income from passive sources (dividends, interest, rent, royalties, capital gains). This will have the effect of excluding gifts of interests in most family limited partnership, and other types of holding company arrangements.

### Real Property

Generally, gifts of real property in Florida should result in a net contribution to the Foundation of at least \$100,000. Gifts of real property outside Florida should result in a net contribution of at least \$250,000.

Unencumbered real property will be accepted at fair market value as established by at





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least one qualified appraisal, provided by the donor, and acceptable to the Executive Committee. The donor must provide evidence of clear title to the property and a qualified appraisal to the Executive Committee; property with multiple owners will be accepted only if all owners of the property agree in writing to the gift.

Real property that is encumbered by a trust, deed, loan or mortgage will be accepted only in exceptional circumstances. Prior to acceptance of a gift of real property, the Foundation and the donor must agree, in writing, on arrangements for paying expenses associated with the property and all encumbrances, including legal costs associated with donation and subsequent sale, if any, taxes and assessments, insurance coverage, and maintenance costs.

In order to avoid potential liability for environmental cleanup and toxic and hazardous materials issues related to real estate, the Foundation may require inspection through an environmental audit of all proposed gifts of real estate and assets related to real property.

In addition to the considerations listed above, commercial properties and businesses will be examined in relationship to the potential for exposure of the Foundation to unrelated business taxable income.

Further details related to gifts of real property are included in Appendix A.

### **Tangible Personal Property**

Generally, gifts of tangible personal property should result in a net contribution to the Foundation of at least \$50,000 but it is not required. This type of gift is available to current fund-holders.

Gifts of such assets as boats, airplanes, automobiles, artwork, furniture, equipment, jewelry, gems, and metals valued in excess of \$5,000 must be accompanied by a qualified appraisal acceptable to the Executive Committee. Unless the property is to be used in connection with the Foundation's tax-exempt purpose, it will be sold at the highest possible price as soon as possible after conveyance. No commitment will be made to keep gifts of personal property. The Foundation discourages gifts of personal property which cannot readily be sold or which require unusual expenses prior to sale. Costs associated with sale, including legal fees and taxes shall be the responsibility of the donor. If a lengthy selling period is anticipated, the Foundation may ask the donor to cover such expenses with a cash gift.

### **Royalties, Distribution Rights**

The Foundation may accept gifts of royalties or distribution rights on published works (such as books or films) where there is clear evidence of marketability or assurance of an income stream. A qualified appraisal acceptable to the Executive Committee is required.





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### **Insurance Policies and Proceeds**

Donors may transfer ownership of a paid-up policy to the Foundation and take a tax deduction for the interpolated terminal reserve (typically cash surrender value). Donors may transfer ownership of premium-due policies to the Foundation and make income tax deductible contributions in the amount of the premiums. In either case, the Foundation shall be the owner and permanent beneficiary of the policy and retain the policy in its offices.

Contributions for premium-due policies must be made by direct payment to the Foundation at least ten days prior to the premium date. The Foundation cannot assume delinquent premium payments unless the Executive Committee determines it is economically beneficial to the Foundation. Paid-up policies of any value may be accepted by the Foundation. Premium-due policies must have a minimum cash value of \$10,000; a one-time administrative fee may be assessed. Donation of policies or annuities written for a year-end tax purpose must have a certifiable date from the insurance company to be a qualified donation for that tax year.

The Foundation does not enter into charitable reverse split dollar agreements.

### **Retirement Assets**

Account type retirement plans, in which a balance accumulates as principal, may be gifted to the Foundation. These include Individual Retirement Accounts (IRA), 401(k), 403(b), and defined contribution plans. (Annuity plans, such as defined benefit plans, in which retirement benefits are paid out as income and principal does not accumulate, generally cannot be used for charitable gifts.)

Methods for gifting retirement assets include:

- Naming the Foundation as successor or contingent beneficiary for all or part of the assets upon death of either the retirement asset owner or spouse;
- Creating a testamentary charitable remainder trust with the assets upon the death of the asset owner, naming the Foundation as remainder beneficiary.

### **Planned and Testamentary Gifts**

The Foundation's planned and testamentary giving program encompasses all forms of gifts whose benefits do not fully accrue to the Foundation until some future time (such as the death of the donor or other income beneficiaries or the expiration of a predetermined period of time), or whose benefits to the Foundation are then followed by the interests of non-charitable beneficiaries.

Donors using planned and testamentary gift techniques may establish any of the fund types listed above. Will, trust, or other documents should specify the Foundation as the charitable recipient and name the fund to which the donor's gift will contribute. The type of fund and purpose of the fund may be described in detail in a separate fund agreement.



## 1. Bequests

Bequests may be from a will or trust and may be specific or contingent in nature. A bequest through will or trust to the Foundation should include the following:

- The name of the Community Foundation of Tampa Bay, Inc., a Florida nonprofit corporation whose principal office is located at 4300 W. Cypress Street, Suite 700, Tampa, FL 33607; the name of the fund to which the bequest is made (this may be a new or existing fund). In the case of a new fund, the Foundation will, upon notification that the bequest has been in a will or trust, prepare a separate fund agreement defining the purpose for which the fund has been created.

## 2. Charitable Remainder Trusts

### a. Description: Unitrusts

The basic form of Unitrust provides for payment to the donor and/or beneficiary of an amount equal to a set percentage of fair market value of the assets of the Unitrust, valued annually. The percentage is determined at the time the Unitrust is created, is stated in the Unitrust, and is permanent. The payout must equal no less than 5% of the fair market value of the assets placed in the Unitrust when it is created, and may be made monthly, quarterly, semiannually or annually. If the annual income and/or realized capital gains do not equal the committed Unitrust percentage, principal is used to supplement the short fall. If there is any excess income or appreciation in excess of the stipulated payment, it is added to the principal. Additional contributions may be made to Unitrusts.

The present value of the remainder interest must be equal to or greater than 10% of the original contribution to the trust.

### b. Description: Annuity Trusts

Donor and/or beneficiary annually receive a payout that is fixed irrevocably at the time of the gift and stated in the Annuity Trust Agreement. The payout must equal at least 5% of the fair market value of the assets placed in the trust when it is created. Income in excess of the annual payment is added to principal. If the income in any year is less than the annual payment the difference is derived from realized capital gain or principal. Additional contributions may not be made to Annuity Trusts.

The present value of the remainder interest must be equal to or greater than 10% of the original contribution to the trust.

### c. Policy

- i. Representatives of the Foundation are authorized to solicit gifts in the form of Charitable Remainder Trusts (including basic Unitrusts, Annuity Trusts, Net Income Unitrusts, Net Income with Make-Up Unitrusts and Flip Unitrusts) with annual payout rates ranging from 5% to 8% of fair market value of Trust assets; pay out rates



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- of more than 8% must be reviewed for approval by the Executive Committee. (Net Income Unitrusts do not require this approval).
  - ii. Donors who elect to self-trustee must be informed of the administrative and tax-reporting responsibilities entailed by their trusteeship. The Community Foundation of Tampa Bay representative may provide information on vendors providing administrative and tax reporting services.
  - iii. The Foundation prefers to serve as Trustee only when:
    - 1. The income beneficiary is age 65 or older;
    - 2. The assets initiating the trust are valued at a minimum of \$500,000;
    - 3. The Foundation is named as irrevocable remainder beneficiary, for endowment purposes, for 100% of the remaining assets.
  - iv. Any agreements that name the Foundation as Trustee shall be subject to ratification by the Foundation Board of Trustees.

### 3. Charitable Lead Trust

#### a. Description

Annuity or Unitrust amounts from the assets within the Charitable Lead Trust are paid to the Foundation for a period of years, or for the remaining life of the donor or beneficiary. The remainder interest is either retained by the donor or given to a non-charitable beneficiary.

#### b. Policy

- i. Representatives of the Foundation are authorized to solicit gifts for Charitable Lead Trusts. The donor may select any annuity or fixed pay out percentage.
- ii. Any agreements that name the Foundation as Trustee shall be subject to ratification by the Foundation Board of Trustees.
- iii. Exceptions to the above must be approved by the Executive Committee of the Foundation prior to execution of the agreement.

### 4. Charitable Gift Annuity

#### a. Description

The Foundation and the donor enter into a contract providing a fixed dollar return for life to the donor and/or other beneficiaries, in exchange for a contribution to the Foundation. The amount of payment is dependent upon the age of the donor and the size of the gift. The date that income payments to the beneficiary begin may be deferred. The Charitable Gift Annuity Contract is a general obligation of the Foundation.

#### b. Policy

- i. Representatives of the Foundation are authorized to solicit gift annuity agreements. The Charitable Gift Annuity remainder must benefit the Foundation in the form of a permanent endowment. Gift annuity illustrations shall be shown to demonstrate a minimum of



- 50% of the assets as available for transfer to the Foundation's community impact programs or operating endowments or to the donor's choice of endowment fund.
- ii. The Uniform Annuity Rates as published by the American Council on Gift Annuities will not be exceeded without approval and ratification by the Executive Committee.
  - iii. Disclosure to the Donor must follow state and federal regulations.
  - iv. The recommended minimum gift for an annuity agreement is \$50,000 although gifts of \$25,000 or more can be considered.
  - v. Agreements may provide for income payments to no more than two successive lifebeneficiaries.
  - vi. The minimum age of income beneficiaries shall be 65 years.
  - vii. Additional contributions cannot be made to a Charitable Gift Annuity.



## Appendix A Real Estate Acceptance Policies

### Real Estate Gift Acceptance Policies

When a donor expresses the desire to donate a gift of real estate, the following guidelines will be followed:

1. The Foundation staff and the donor should meet to visually evaluate the property and develop appropriate gift arrangements with the donor, subject to proper approval. The approval process includes consulting with the Chair of the Foundation and the Foundation's Executive Committee.
2. An appraisal (MAI,\* FHA+ or equivalent) is to be performed by an independent appraiser according to IRS guidelines.
3. The checklist for Real Estate Gifts needs to be followed, if applicable (see attachment I).
4. A financial analysis must be performed prior to acceptance to determine whether the gift makes financially sound investment for the Foundation, especially if commercial or income property is involved. Encumbered real estate will be evaluated by the Executive Committee prior to acceptance.
5. Gifts of real property should result in a gift to the Foundation of at least \$100,000 if the property is in Florida, or at least \$250,000 if out of state.
6. Depending on the complexity and value of the property being donated, the staff should discuss an appropriate fee/gift arrangement with the donor to help cover the overhead costs of accepting the gift. These may include licensed real estate professional commissions, title work, closing costs, legal fees, property taxes, insurance and environmental assessments.
7. The following agreements with the donor may be required: Fund Agreement, expense reimbursement and fee agreement, deed execution and title insurance policy.

### Considerations for Accepting Real Estate Gifts

1. The Foundation will consider encumbered property for acceptance only if the evaluation convincingly demonstrates that the property can be sold at a price that substantially exceeds the aggregate amount of the encumbrances and any costs associated with satisfying them.

\*A Member, Appraisal Institute

+ Federal Housing Administration



2. The Foundation must weigh carefully whether or not it has the desire and ability to manage the property for whatever length of time is necessary to consummate the sale. If the property produces income, the Foundation must consider the amount of income it receives against the ongoing cost of the encumbrances.
3. The Foundation will not pay for appraisals, finder's fees, or the drafting of legal documents without approval of the Executive Committee.

### **Disposition of Property**

Generally, the Foundation will sell property as quickly as possible after the gift is completed.

- The Foundation should consider its investment objectives before selling.
- The Foundation should avoid selling property at a distressed price. A quick distress sale may jeopardize the donor's charitable contribution deduction and might negatively impact the market values in the area.

### **Environmental/Pollution Concerns**

In some cases, a Phase One Inquiry will be required prior to acceptance of proposed single family residents real estate gifts. The inquiry should include site observations, building observations, and interviews with the current owners, adjacent site reconnaissance and any other items considered necessary.

If concerns are raised by the Phase One Inquiry, Phase One Screening and, dependent upon the level of environmental concern at the site, a Phase Two Assessment may be required.

### **Phase One screening should include the following:**

Review of Regulatory Agency Records: EPA/NPL Site List, EPA-CERCLIS Site List, EPA-RCRA Generator Site List, State DEP Hazardous Waste List, State DEP Land Fill List, State EEP Leaking UST List, and an interview with the local fire department.

Review of Occupant History: Review of fire insurance maps.

### **The Phase One assessment should include:**

Review of Regulatory Agency Records: EPA-RCRA-TSD Site List, EOA-ERNS List and State DEP Registered UST List.

Review of Physical Setting: USGS Topographical Map, USDA Soil Survey, State or USGS Groundwater Map, USDI Wetlands Map, Aerial Photographs, and Building or Site Plans.

Review of Owner History: Tax Assessors records, chain of title review and interview with previous owner(s).

Review of Occupant History: Historical City Directories, Building Department Records and interviews with previous occupants.



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Optional Testing Includes: Asbestos-containing materials, radon gas, lead-based paint and lead in drinking water.

**Final Documents for Gift Acceptance Should Include:**

- A seller/donor agreement containing environmental/pollution disclosure and liability.
- Known and unknown liabilities from transfer documents should not be excluded from the agreements.

**Gifts Related to Real Estate**

The Foundation may accept trust deed notes and mortgages as gifts. In most cases, a qualified appraisal would determine the value, taking into account the unpaid principal balance, the interest rate payable under the loan, and the current interest rates.

**Bargain Sale of Real Estate and Personal Property**

Gifts in the form of a bargain sale need to be appraised by an independent appraiser (MAI, FHA or equivalent) with the fee to be paid by the donor.

In addition, the asset will be readily marketable (maximum estimated selling period of one year) or a reasonable current use to the Foundation. The minimum gift valuation should be \$100,000 net of the Foundation's investment.

**Gifts of Real Estate with Retained Life Tenancy**

Consideration of a life tenancy gift requires the Foundation staff to follow the stated guidelines for acceptance of real property. The donor pays for the appraisal and all transfer fees and costs. The gift value and anticipated value of property at the end of the life tenancy will be calculated by the Foundation when the gift is made.

There should be reasonable expectation that the property can be sold within one year after the death of the donor or donor's relinquishment of the property.

In accepting gifts of real estate with retained life tenancy, the Foundation will also take into consideration the potential use of the property during the life tenancy to avoid acceptance of a property that may become a liability in future years.

The Foundation should agree to participate in a gift of real estate with retained life tenancy only if:

- The life tenancy beneficiary is age 65 or older;
- The property value initiating the life tenancy is a minimum of \$300,000;
- The Foundation is named as irrevocable remainder beneficiary, for endowment purposes, for a minimum of 50% of the remaining assets.





### Checklist for Real Estate Gifts

#### GENERAL INFORMATION

Donor's Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number: (Home) \_\_\_\_\_ (Business) \_\_\_\_\_

Location of Property \_\_\_\_\_

Type of Property \_\_\_\_\_

Owners of Record \_\_\_\_\_

Ownership: *Circle One*      1) Sole      2) Joint      3) General Partnership  
   4) Limited Partnership      5) Community Property

Does the Ownership Include Mineral Rights, Water Rights, any Restrictive Easements, Covenants or Rights of Way, etc.? \_\_\_\_\_

Legal Description (from owner's documents) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any Impending Litigation With Regard to the Property? \_\_\_\_\_

Valuation and Date of Most Recent Appraisal \_\_\_\_\_

Annual Property Taxes \_\_\_\_\_

Fees (association fees, sewer, water or other operating costs) \_\_\_\_\_  
\_\_\_\_\_

Are There Any Liens, Encumbrances, Mortgages, etc.? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Status of this Year's Taxes and Holding Costs (including delinquent fees) \_\_\_\_\_

Donor's Basis/Cost of Property and Length of Time Owned \_\_\_\_\_

Estimated Time Required to Sell the Asset \_\_\_\_\_



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Zoning Uses (residential, commercial, etc.) \_\_\_\_\_

Has the Property Been the Subject of Any Regulatory Designations (such as wetland or easement)? If so, List Type of Designation and Regulatory Agency \_\_\_\_\_

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Proposed Delivery Date of Deed \_\_\_\_\_

Date of Physical Inspection of Property \_\_\_\_\_



**Documents to Obtain**

<b>Title Opinion</b>	<b>Date Received</b>
Donor should be asked to supply.	_____
<b>Reliable Appraisal</b>	
Must be ordered, paid for and submitted within 60 days of deed delivery.	_____
<b>Deed</b>	
Shows how title is vested and is used to prepare the title transfer.	_____
<b>Property Tax Bill</b>	
Shows assessed value of land, improvements, actual tax and any assessments.	_____
<b>Income/Expense Pro Forma for Three-Year Period</b>	
If commercial or residential income-producing property.	_____
<b>Association Agreement and Financials</b>	
Ownership rights and responsibilities of some properties, primarily residential and condominiums, are governed by an owners association. The agreement should include fees or assessments, financials, together with a statement showing the condition of any reserve fund for deferred maintenance.	_____
<b>Conditions, Covenants and Restrictions</b>	
Conditions, covenants and restrictions are required of most subdivisions. A copy of these will show how the property may be used and what restrictions may apply.	_____
<b>Lease or Rental Agreements</b>	
If the property is leased or rented to others, a copy of each rental agreement should be obtained showing the terms of the agreement term of rental, deposits, etc.	_____
<b>Notes and Trust Deeds or Mortgage Statements</b>	
Notes and trust deeds or mortgage statements should be obtained. Will show the current status of a loan and will be helpful in identifying and discussing the loan with the lender and including assignment documents evidencing current loan	_____



servicer.

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**Insurance Policy**

Will verify cost of Insurance and provide information for the Foundation to transfer insurance, if desired, after gift is made.

\_\_\_\_\_

**Plot Map/Property Line**

This indicates location of property and is an important step in acquiring much of the information for gift analysis.

\_\_\_\_\_

**Inspection Reports**

Where inspection reports are available from previous activity related to the property, such as Code Officers, inspection reports or structural assessment reports by an engineer.

\_\_\_\_\_

**Fund Agreement**

Outline of donor's charitable interest.

\_\_\_\_\_

**Donor/Donee Transfer Agreement**

Must use Foundation approved agreement form (if appropriate depending on type of gift). The agreement should be drafted with legal counsel help to meet the needs of each gift.

\_\_\_\_\_



**Appendix B  
Illiquid Assets**

In the form of Private Securities  
and/or  
Tangible Personal Property

**Gift Acceptance Checklist for Illiquid Assets: Private Securities**

Form of delivery \_\_\_\_\_Electronic \_\_\_\_\_Physical

Form of holding \_\_\_\_\_C Corporation \_\_\_\_\_S Corporation \_\_\_\_FLP\_\_\_\_LLC \_\_\_\_LLP

Are there costs to the Foundation on acceptance of sale? \_\_\_\_\_Yes \_\_\_\_\_No

Donor's cost basis: \$\_\_\_\_\_

Are there consequences to the donor on disposition? \_\_\_\_\_Yes \_\_\_\_\_No

Is the asset subject to a buy-sell agreement? \_\_\_\_\_Yes \_\_\_\_\_No

Are there other restrictions on sale? \_\_\_\_\_Yes \_\_\_\_\_No

What is the likely market for sale? \_\_\_\_Immediate \_\_\_\_Highly Conditional \_\_\_\_Unknown

Is there a copy of an appraisal in the file? \_\_\_\_\_Yes \_\_\_\_\_No

Will ownership create liability risk? \_\_\_\_\_Yes \_\_\_\_\_No

If Yes, best estimate of liability risk: \_\_\_\_\_High \_\_\_\_\_Medium \_\_\_\_\_Low

Are there any excess business holdings issues? \_\_\_\_\_Yes \_\_\_\_\_No

Are there any issues with unrelated business income? \_\_\_\_\_Yes \_\_\_\_\_No

Comments \_\_\_\_\_



**Gift Acceptance Checklist for Illiquid Assets: Tangible Personal Property**

Description of personal property: \_\_\_\_\_

Location of personal property: \_\_\_\_\_

Is the property: \_\_\_\_\_ Related Use or \_\_\_\_\_ Unrelated Use

If property is related use, are there any restrictions on use of the item? If yes, please describe: \_\_\_\_\_

Will the property be sold on receipt? \_\_\_\_ Yes \_\_\_\_ No

If so, what is the likely market? \_\_\_\_ Immediate \_\_\_\_ Highly Conditional \_\_\_\_ Unknown

What are the costs of sale? \_\_\_\_\_

Value \$ \_\_\_\_\_ Estimated Y/N \_\_\_\_\_ Appraised Y/N

Cost of holding item (insurance, safeguarding, transport, other) \$ \_\_\_\_\_

Comments \_\_\_\_\_

Procedure	Date
Delivery of property	
Fund agreement in file	
Appraisal in file	
Approval or Rejection by Executive Committee	
Contact Information	Phone
Donor	
Donor's attorney	
Donor's accountant	
Other professional	
Staff	

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