



# ATHENS AREA COMMUNITY FOUNDATION

## GIFT ACCEPTANCE POLICIES AND GUIDELINES

Athens Area Community Foundation, a not-for-profit organization organized under the laws of the State of Georgia, encourages the solicitation and acceptance of gifts to Athens Area Community Foundation (hereinafter referred to as the Foundation) for purposes that will help the Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation.

### ***Mission and Vision***

The Athens Area Community Foundation, Inc. is a public charity that brings people together who care deeply about Athens, Georgia and surrounding areas and who seek to improve the quality of life and economic well-being of all people in our community through gifts and involvement.

We are committed to connecting donors with what they care about through charitable giving and by serving as a well-informed and effective grant-maker working in partnership with the community and encouraging the entire community to support charitable giving for the benefit of all.

The Foundation fulfills its mission by:

- Supporting implementation of the recommendations of the Partners for a Prosperous Athens;
- Encouraging private giving for the public good;
- Providing a flexible and cost effective vehicle for donors with varied charitable interests and abilities to give;
- Helping to enhance the capacity of service delivery providers in the greater Athens area;
- Serving as a catalyst, convener and partner in reaching and shaping effective responses to problems and opportunities of all our communities.

### ***I. Purpose of Policies and Guidelines***

The Board of Directors of Athens Area Community Foundation and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the Foundation. These policies and guidelines govern the acceptance of gifts by the Athens Area Community Foundation and provide guidance to prospective donors and their advisors when making gifts to the Foundation. The provisions of these policies shall apply to all gifts received by the Foundation for any of its programs or services.

### ***II. Use of Legal Counsel***

Athens Area Community Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Documents naming Athens Area Community Foundation as Trustee
- c. Gifts involving contracts, such as bargain sales or other documents requiring the Athens Area Community Foundation to assume an obligation
- d. Transactions with potential conflict of interest
- e. Transactions that may invoke IRS sanctions
- f. Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee

### **III. Conflict of Interest**

Athens Area Community Foundation will endeavor to urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Foundation will endeavor to comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

### **IV. Restrictions on Gifts**

The Foundation will customarily accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, gifts that are for purposes outside the mission of the Foundation or gifts that are otherwise deemed by the Foundation's staff or board as too restrictive. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee of the Foundation subject to review, if any, by the Foundation's board.

### **V. The Gift Acceptance Committee**

The gift acceptance committee shall consist of:

- The Executive Committee of the Athens Area Community Foundation
- Such other members as appointed by the President of the Foundation
- Ex-Officio member shall include the President of the Athens Area Community Foundation

Acceptance by staff of gifts consistent with the purposes, bylaws and procedures of the Foundation shall not require review by the Gift Acceptance Committee if the gifts are in any of the following forms: Cash/Checks and Publicly Traded Securities. The Gift Acceptance Committee is charged with the responsibility of reviewing all other types of gifts made to Athens Area Community Foundation, properly screening and rejecting or accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate.

### **VI. Types of Gifts**

A. The following types of gifts, along with others, may be considered if acceptance would not otherwise violate the policies and purposes of the Foundation:

1. Cash
2. Tangible Personal Property
3. Securities
4. Real Estate
5. Remainder Interests in Property
6. Oil, Gas, and Mineral Interests
7. Bargain Sales
8. Life Insurance
9. Charitable Gift Annuities
10. Charitable Remainder Trusts
11. Charitable Lead Trusts
12. Retirement Plan Beneficiary Designations
13. Outright Bequests
14. Life Insurance Beneficiary Designations

B. The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash is acceptable in any form unless, as is the case with all types of gifts, there is any significant question as to whether the donor is the actual owner of the gift and is mentally competent to make the gift and whether the gift is derived from an illegal or immoral source. Checks shall be made payable to The Athens Area Community Foundation and shall be delivered to the Foundation President in the Foundation's administrative offices.

2. **Tangible Personal Property:** All gifts of tangible personal property shall be examined in light of the following criteria:
- Does the property fulfill the mission of the Foundation?
  - Is the property marketable?
  - Are there any undue restrictions on the use, retention, display, or sale of the property?
  - Are there any carrying costs for the property?

The final determination on the acceptance of tangible personal property gifts shall be made by the Gift Acceptance Committee of the Athens Area Community Foundation.

3. **Securities:** The Foundation can accept both publicly traded securities and closely held securities.

**Publicly Traded Securities:** Marketable securities may be transferred to an account maintained by the Foundation at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Investment Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Gift Acceptance Committee of the Athens Area Community Foundation.

**Closely Held Securities:** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Gift Acceptance Committee of the Foundation. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent Athens Area Community Foundation from ultimately converting those assets to cash,
- the security is marketable, and
- the security will not generate any undesirable tax consequences for the Foundation.
- The security and the gift thereof is otherwise appropriate for acceptance

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Gift Acceptance Committee of the Athens Area Community Foundation and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Foundation shall require an initial environmental inspection of the property to help ensure that the property has no environmental damage. Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title insurance policy shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this title insurance policy shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Gift Acceptance Committee of the Foundation and by the Foundation's legal counsel.

Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Foundation?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?

- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
  - Does the environmental audit reflect that the property is not damaged?
  - Are there any significant risks associated with the ownership, use or disposal of the property?
  - Is the property and the gift thereof otherwise appropriate for acceptance?
5. **Remainder Interests In Property:** The Foundation may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4. above. The donor or other occupants may continue to occupy the real property for the duration of the stated life or term of years. At the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, insurance, and any property indebtedness are to be paid by the donor or primary beneficiary.
6. **Oil, Gas, and Mineral Interests:** The Foundation may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the Foundation's legal counsel. Criteria for acceptance of the property shall include:
- Gifts of surface rights should have a value of \$20,000 or greater.
  - Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
  - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate
  - A working interest is rarely accepted. A working interest may only be accepted where when there is a plan to minimize potential liability and tax consequences.
  - The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.
7. **Bargain Sales:** Athens Area Community Foundation may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Foundation. All bargain sales must be reviewed and recommended by the Gift Acceptance Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:
- The Foundation must obtain an independent appraisal substantiating the value of the property.
  - If the Foundation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value
  - The Foundation must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt
  - The Foundation must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
8. **Life Insurance:** Athens Area Community Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value (if a whole life policy), or replacement value (if a term policy), upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year in which that premium payment is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Foundation may:

- continue to pay the premiums,
- convert the policy to paid up insurance, or
- surrender the policy for its current cash value.

9. **Charitable Gift Annuities:** Athens Area Community Foundation may offer charitable gift annuities. The minimum gift for funding is \$5,000. Athens Area Community Foundation President may make exceptions to this minimum following consultation with the Gift Acceptance Committee. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. Athens Area Community Foundation President may approve exceptions to this payment schedule.

Athens Area Community Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. Athens Area Community Foundation may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, the gift is otherwise consistent with the purposes and policies of the Foundation, and the President of Athens Area Community Foundation approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to Athens Area Community Foundation's general endowment funds, or to such specific fund as designated by the donor.

10. **Charitable Remainder Trusts:** The Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee of the Foundation. The Board of the Athens Area Community Foundation may accept appointment as Trustee of a charitable remainder trust. The Foundation will obtain legal and accounting review for each proposed charitable remainder trust in regards to the Foundation's responsibilities.
11. **Charitable Lead Trusts:** The Foundation may accept a designation as income beneficiary of a charitable lead trust. The Board of Athens Area Community Foundation may accept an appointment as Trustee of a charitable lead trust.
12. **Retirement Plan Beneficiary Designations:** Donors and supporters of Athens Area Community Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
13. **Bequests:** Donors and supporters of Athens Area Community Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
14. **Life Insurance Beneficiary Designations:** Donors and supporters of Athens Area Community Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**VII. Miscellaneous Provisions**

- A. **Securing appraisals and legal fees for gifts to the Foundation:** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Foundation.
- B. **Valuation of gifts for development purposes:** The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of gift.
- C. **Responsibility for IRS Filings upon sale of gift items:** The Gift Acceptance Committee of the Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000 or if otherwise required by law. The Foundation must file this form within 125 days of the date of sale or disposition of the asset or within such other period of time as may be required by law. Form 8282 with Filing Instructions is attached as an appendix to these policies.
- D. Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of the Foundation. IRS Publication 561 **Determining the Value of Donated Property** and IRS Publication 526 **Charitable Contributions** are attached to these policies as an Appendix.

**VIII. Changes to Gift Acceptance Policies**

These policies and guidelines have been reviewed and accepted by the Gift Acceptance Committee of the Athens Area Community Foundation. The Gift Acceptance Committee of the Athens Area Community Foundation must approve any changes to or deviations from these policies.

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Adopted \_\_\_\_\_ (date)

Secretary \_\_\_\_\_

## APPENDICES & RESOURCES

Appendix 1 - Model Standards of Practice for the Charitable Gift Planner

Appendix 2 - Environmental Review Forms

**Donee Information Return** – IRS Form 8282 and Instructions  
Available online at <http://www.irs.gov/pub/irs-pdf/f8282.pdf>

**Determining the Value of Donated Property** - IRS Publication 561  
Available online at <http://www.irs.gov/pub/irs-pdf/p561.pdf>

**Charitable Contributions** - IRS Publication 526  
Available online at <http://www.irs.gov/pub/irs-pdf/p526.pdf>



# MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER

## **Preamble**

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as “Gift Planners”), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

## **I. Primacy of Philanthropic Motivation**

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

## **II. Explanation of Tax Implications**

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

## **III. Full Disclosure**

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

## **IV. Compensation**

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder’s fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

## **V. Competence and Professionalism**

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

## **VI. Consultation with Independent Advisers**

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor’s choice.

## **VII. Consultation with Charities**

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor’s objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity’s input in the gift planning process.

## **VIII. Description and Representation of Gift**

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor’s family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

## **IX. Full Compliance**

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

## **X. Public Trust**

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

*Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.*



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ENVIRONMENTAL INTERVIEW

This interview is designed for use with current and/or prior owners or managers of the property.

Date of Interview Interviewer
Person Interviewed Relation to Property
Property Description

Type of Property Agricultural Timber
Commercial Manufacturing
Age of Buildings Undeveloped Land
Residential Other

- 1. Indicate prior uses of property.
2. Are you aware of any environmentally sensitive situations on the property?
3. For uses identified in question 1, has an environmental license or permit ever been issued?
4. Are there any oil, fuel or chemical storage tanks on the property located above or below ground?
5. Has an environmental assessment been previously conducted?
6. If available, attach maps or surveys that describe the property to this questionnaire.
7. If you are unable to furnish the information requested above, please advise us if there is a reliable source that may be able to furnish this information.

PROPERTY INSPECTION CHECKLIST FOR CURRENT ENVIRONMENTAL CONDITIONS

Name of Inspector Date of Inspection
Owner of Property Estimated Size
Location of Property Current Use
Number of years the current use has been in effect
Brief history of property use (list past use and former tenants, and source of information)

ENVIRONMENTAL SITE INSPECTION CHECKLIST

- I. An on-site inspection revealed the following:
A. Stressed or denuded vegetation or unusual barren areas
B. Discoloration, oil sheens or foul/unusual odors in water
C. Dump site
D. Tire/battery/chemical storage or disposal
E. Storage drums
F. Above or below ground storage tanks, vent or filler pipes
G. Evidence of petroleum or oil products
H. Evidence of PCBs (electrical transformers, capacitors)
I. Subject or adjoining property used for industrial purposes

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- J. Existing structures: If yes, indicate if there is: \_\_\_ \_\_\_
1. Evidence of chemical spills/leaks \_\_\_ \_\_\_
  2. Evidence of asbestos \_\_\_ \_\_\_
  3. Any source of air emission \_\_\_ \_\_\_
- K. Does property appear on National/State Hazardous Site list? \_\_\_ \_\_\_
- L. If "yes" to any of the above, describe: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

II. ( ) Based on the evaluation of known, discovered or observed environmental factors, there is no evidence of environmental contamination on this or neighboring properties, and no further action is recommended.

( ) Based on the evaluation of known, discovered or observed environmental factors, there is evidence of possible environmental contamination on this or neighboring properties and further investigation is recommended. *(Complete "Evaluation of Known Environmental Factors Form" if this block is checked.)*

Person Completing Form	Title	Date
Acceptance of Form Approved By	Title	Date

### EVALUATION OF KNOWN ENVIRONMENTAL FACTORS

Check the appropriate response to each statement based on all sources of information, including the Environmental Site Inspection Checklist.

- |  | Yes | No  |
|--|-----|-----|
| A. This property (or adjacent property) appears on federal, state or other environmental agency list of sites identified for environmental investigation or cleanup.   | ___ | ___ |
| B. This property is developed and used for an industrial or manufacturing purpose.   | ___ | ___ |
| C. This property is undeveloped land used for landfill or waste dump purpose.  | ___ | ___ |
| D. The prior, current or proposed use of this property involves the generation, storage, treatment or disposal of any potentially hazardous materials, oil/petroleum products or other substances regulated by environmental laws and agencies. Specify: _____ | ___ | ___ |
| E. Activities on adjacent properties may have contributed to the environmental contamination of the subject property.  | ___ | ___ |
| F. This property is near a flood plain, wetland or ecologically sensitive area.  | ___ | ___ |
| G. The Environmental Site Inspection revealed evidence of possible environmental contamination.  | ___ | ___ |

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- H. The donor has revealed potential sources or causes of environmental contamination. \_\_\_ \_\_\_
- I. This property is used for agricultural purposes. \_\_\_ \_\_\_
- ( ) Based on the evaluation of known environmental factors, there is no evidence of possible environmental contamination on this or neighboring properties and no further action is recommended.
- ( ) Based on the evaluation of known environmental factors, there is evidence of possible environmental contamination on this or neighboring properties and further investigation is recommended.

Recommendations: \_\_\_\_\_

\_\_\_\_\_  
Person Completing Form

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Acceptance of Form Approved By

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date