



## GIFT ACCEPTANCE Policy Statement

The following provisions are designed to assist potential donors to determine how a proposed gift to the Parasol Tahoe Community Foundation (Parasol) will be evaluated by the Foundation.

### SECTION 1: FUND CHOICES

#### Parasol Funds

1. **Unrestricted Operating Fund**
2. **Carla Hanson Memorial Endowment Fund**
3. **Community Fund**

#### Donor Funds

4. **Donor Advised Fund** (Endowed and Non-Endowed) for charitable purposes
5. **Committee Advised Fund** (Endowed and Non-Endowed) for charitable purposes
6. **Memorial Fund** (Endowed and Non-Endowed Funds) in memory of another individual will be credited to the donor making the memorial gift
7. **Scholarship Fund** (Endowed and Non-Endowed) for educational purposes

#### Charitable Funds

5. **Designated Fund** (Endowed and Non-Endowed)
6. **Field of Interest Fund** (Endowed and Non-Endowed)
7. **Unrestricted Fund** (Endowed and Non-Endowed)

#### Bequest Funds

8. **Legacy Fund** for charitable purposes as per donor intent

#### Non-Profit Funds

9. **Non-Profit Fund** (Endowed and Investment) for the benefit of a specific non-profit or public organization

### SECTION 2: GIFT TYPES

#### Simple Gifts:

Gifts of the following types can typically be approved by an officer of Parasol and accepted in a short time period. All costs associated with the transfer and /or sale of gifts such as credit card fees, commissions on sale of stocks, wire transfer fees, etc. will be deducted from the fund receiving the gift.

1. Cash (currency, check, or credit cards)
2. Readily marketable securities (stocks and bonds)

### **Complex Gifts:**

All other types of gifts require a full review and approval by the Parasol Executive Committee before they may be accepted including but not limited to the following:

3. Personal property
4. Real estate
5. Royalties or distribution rights
6. Insurance (policies where Parasol is named as a beneficiary)
7. Bequests
8. Transfers of Charitable Gift Annuities or Charitable Remainder Trusts (Unitrust and Annuity)
9. Material goods in-kind
10. Interests in Business Entities (closely-held companies or partnerships)
  - i. All gifts to a Donor Advised Fund (as defined in Section 4966(d)(2) of the Internal Revenue Code, as amended) which constitute an interest in a business enterprise (whether stock of securities, partnership share, or other interest) shall be reviewed prior to acceptance to ensure that acceptance of such gift will not violate the prohibitions against excess business holdings by a Donor Advised Fund, as set forth in Section 4943 of the Internal Revenue Code, as amended. Any proposed gift that would result in the holdings of a Donor Advised Fund, together with the holdings of persons who are disqualified with respect to that fund, may not exceed any of the following:
    1. A 20% or greater interest in a business or in an entity, or
    2. A 20% or greater interest of the profits of a partnership or joint venture or the beneficial interest of a trust or similar entity

Where the holdings of a disqualified person with respect to that fund is any interest owned 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.

### **SECTION 3: THE NATURE OF PROPERTY GIVEN TO THE FOUNDATION**

1. **Basic Form of Property Accepted:** The Foundation will accept property that is readily marketable at reasonable cost.
2. **Acceptance of Other Forms of Property:** The Foundation recognizes that donors will occasionally wish to give property that is not described in the previous paragraph, such as private corporation shares and residuary interests in trusts. While the Foundation is generally pleased to accept gifts, it has to be careful to evaluate whether there are "hidden costs" in accepting such property. It therefore reserves the right to decline a gift of property. Matters that the Foundation will take into account are:

- a) The likelihood that the value of the property will be a matter of differing opinions.
  - b) The possibility that the property will not sell in a reasonable period of time and incur excessive carrying costs.
  - c) The potential environmental clean-up risk associated with owning the property.
  - d) The potential for adverse controversy associated with owning the property.
  - e) Whether a satisfactory arrangement can be made with the donor with respect to the absorption of the costs of valuation, maintenance and disposition. As a general rule, the Foundation expects the donor to bear the costs associated with the transfer of the gift to the Foundation and the issuance of a receipt therefore, which includes the cost of valuation. The Foundation will charge the costs of maintenance and disposition of the property to the fund that receives the property gift rather than its other funds or its general operating expenses.
- 3. Source of Property:** The Foundation reserves the right to refuse to accept property the origin of which may bring the Foundation into disrepute.
- 4. Timing of Issuance of Receipt:** The Foundation cannot issue a receipt for a gift until it is legally the property of the Foundation. It will issue a receipt for the property as of the date that it becomes the Foundation's property. All gifts will be acknowledged within ten business days from their receipt. All gift acknowledgement letters/receipts will conform to state and federal laws and regulations. Donors who contribute \$75 or more will need to provide the Foundation with the following information for inclusion on the acknowledgement letter/receipt:
- a) The Donor's complete name and address
  - b) The data and amount of the contribution
  - c) If property, a description of the type of property

#### **SECTION 4: DONOR RELATIONSHIP**

- 1. Confidentiality:** Any information learned by any representative of the Foundation about a donor or proposed donor that it is not required to be recorded publicly will be treated as confidential unless the donor advises otherwise. From time to time, donors may request the Foundation treat their gifts as made anonymously. The Foundation shall make its best efforts to respect requests for anonymity.
- 2. Donor Recognition:** The Foundation is prepared to provide donors with recognition to a degree consistent with the recognition afforded donors of gifts of similar magnitude, immediacy of effect and degree of restriction.
- 3. Informed Donor:** The Foundation encourages donors to work with their own professional advisors in making gifts. It will not solicit or accept a gift from a donor unless it is satisfied that the donor has a bona fide intention to donate to charity and

has a proper understanding of the consequences of making the gift, the working of the Foundation, and the uses to which the gift will be put.

- 4. Preference for Agreements:** The Foundation prefers to work with donors to develop agreements with respect to the name, nature and use of their gifts at the time a gift is made.

## SECTION 5: THE USE THAT IS TO BE MADE OF THE GIFT

- 1. Donations Other Than To Endowment:** As a service to donors, the Foundation is prepared to accept the receipt and disbursement of gifts that are not intended to be held as endowment funds. The Foundation exercises broad discretion as to whether or not to accept such gifts and will charge a support fee in accordance with its general support fee policy.
- 2. Restrictions on Gifts:** The Foundation is particularly interested in receiving gifts for endowment purposes in respect of which the donor has directed the Foundation in general terms, rather than in particular terms, how the income from the gift will be employed.
- 3. Benefit to Donor:** The nature of any charitable gift is that a donor cannot expect material consideration (financial benefits, or opportunities for other persons not at arm's length) to flow from the gift, after the gift has been made. A donor may, however:
  - Establish, at the time the gift is made, limitations on the uses to which the gift may be put. For example, a donor may specify particular charities or charitable purposes for which a gift may be used. He or she may subsequently waive or modify such restrictions.
  - Advise the Foundation from time to time how he or she wishes the earnings from the gift to be applied.
- 4. Application of Administrative Policies:** The Foundation adopts policies from time to time that impose administrative charges on its endowment funds, settle the manner of investment of the funds, and determine the appropriate portion of funds to distribute for charitable purposes or retain as capital to protect against erosion by inflation. Absent any more precise agreement with the donor overriding these general policies, the Foundation will apply its policies equitably to all funds under its control and may amend such policies on a continuing basis.
- 5. Nature of Donor's Charitable Purpose:** The Foundation does not seek to pass judgment on the value or merit of the donor's proposed application of an advised gift so long as it is applied to a charitable purpose. It will, however, communicate all information at its disposal to a donor about the proposed recipient of the gift.

6. **Community Foundation as Appropriate Recipient:** The principal focus of the Foundation's activities is the Lake Tahoe region. However, the Foundation may accept gifts for any charitable purpose. It may refer a donor to another Community Foundation or charitable organization if it perceives that the donor will be better served by such other organizations.
7. **Preservation of Donor's Purpose:** Should the Foundation ever be wound up or the purposes for which a fund was created become obsolete, incapable of fulfillment or inconsistent with the charitable needs of the community, it is the Board of Directors' responsibility, after contacting the donor, to revise the charitable intent of remaining funds to use for a purpose as similar as possible to those set forth in the original agreement.
8. **No Benefit to Individuals:** The Foundation applies the earnings from its funds only to benefit charitable organizations. It does not benefit individuals directly, even if the activities they undertake are charitable in nature.
9. **Undesignated Donations:** When a donation is received without a designation as to which Parasol Fund it is to be applied to, the donation will be deposited in the Operating Fund.

## SECTION 6: DONATION OF MARKETABLE SECURITIES

In lieu of a contribution in the form of cash, some donors will prefer to contribute appreciated stock, mutual fund shares or other marketable securities. Contributions of such marketable securities shall use the following procedure:

1. The donor or Parasol staff should call the institution where the securities are being held to determine the proper procedure that should be followed in order to release and transfer the securities to the possession of Parasol. The Parasol staff will provide the donor and/or the transferring institution with the information they need to effect the transfer, such as the name and account number of the correct Parasol account to which the securities are to be transferred. Stock certificates should be endorsed and immediately deposited into the Parasol account via registered mail or any other secure method of transport.
2. Once the securities are credited to Parasol's account, they should be sold within three days unless otherwise requested by the donor and such request is approved by the Executive Committee.
3. Parasol staff will call the donor to notify them that the securities have been received and sold, and to communicate the value of the securities at the time of sale.