



GIFT ACCEPTANCE POLICY AND GUIDELINES
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## THE INFINITY BENEFIT FOUNDATION GIFT ACCEPTANCE POLICY AND GUIDELINES

### **PURPOSE OF POLICY AND GUIDELINES**

The Board of Directors of the Infinity Benefit Foundation (“the Foundation”), with an understanding of its mission and responsibilities, has established and approved this Gift Acceptance Policy (“Policy”) and Guidelines (“Guidelines”). The Policy and Guidelines govern the acceptance of gifts by the Foundation and provide guidance to current and prospective donors and their advisors when gifting to the Foundation.

### **AUTHORIZATION TO NEGOTIATE**

Pursuant to this Policy and Guidelines, the President, Treasurer are authorized to negotiate current and planned gifts to the Foundation. The Directors of the Foundation retain oversight of all programs, asset development plans, and activities related to these activities. All agreements relating to current or planned gifts and requiring execution by the Foundation shall first be reviewed and approved as to form by the Foundation’s legal counsel. However, each agreement need not be reviewed provided it is based on a prototype agreement that has been reviewed and approved previously.

### **GIFT ACCEPTANCE COMMITTEE**

The Foundation shall utilize the Policy and Guidelines to assess and accept gifts. The Policy and Guidelines are intended to serve as a guide and to allow for flexibility on a case-by-case basis to accommodate a proposed gift or a circumstance that is unique. In such a circumstance, the Gift Acceptance Committee (“Committee”) may convene to review and evaluate the proposed gift and make a recommendation. The Committee shall initially consist of the President and Treasurer and such other persons with professional expertise appointed by the President on an ad hoc basis. The Foundation reserves the right to exempt gifts from full Committee review if, in the judgment of the President and in consultation with designated members of the Committee, the decision to accept the gift warrants immediate action and the full Committee cannot be convened (such as year-end gifts).

The President and available members of the Committee first must determine that the gift may be accepted without significant reservations and the gift does not in any way jeopardize the tax-exempt status of the Foundation. There may be extraordinary circumstances, type of assets or conditions related to formal acceptance of charitable gifts as determined by the President and officers of the Foundation. In such cases, these matters shall be referred to legal counsel and of the Foundation for consideration and formal acceptance thereof or denial.

## **LEGAL COUNSEL**

The Foundation shall encourage all donors to consult independent financial, legal and/or tax counsel in matters relating to their gifts and any resulting tax and estate planning consequences. It is the donors' responsibility to directly employ and compensate independent financial, legal and/or tax counsel in these transactions.

## **SERVING AS TRUSTEE OR FIDUCIARY**

The Foundation does not serve or act as trustee for any charitable remainder trust, charitable lead trust, revocable or irrevocable trust, or as co-trustee with an individual or trust institution. The Board of Directors and the staff of the Foundation shall avoid any personal conflict of interests with respect to any gift to the Foundation. The staff of the Foundation should not knowingly serve as a trustee, conservator, guardian, executor, or personal representative for a donor of the Foundation, except with the express approval of the President of the Foundation. In the instance that staff of the Foundation is appointed or requested to serve for a family member that is also a donor, the staff member shall disclose this to the President of the Foundation and seek waiver by all interested parties of any potential conflict of interest. The Board of Directors should be made aware of any such relationships.

## **GIFT ACKNOWLEDGEMENT**

The Foundation will acknowledge, in writing, the receipt of all gifts in a manner that satisfies the substantiation requirements of the Internal Revenue Code ("IRC") section 170. The donor shall provide a current mailing address for such purpose.

## **PURPOSE OF THE GIFT**

The Foundation will accept gifts restricted to an existing component fund or to establish a component fund for a fund type administered by the Foundation. Such fund type may be limited to donor advised funds. All gifts must be for a charitable purpose. All gifts must be consistent with the stated mission, purposes and priorities of the Foundation. All gifts shall be in compliance with the Internal Revenue Code and any other applicable federal or state statutes, regulations, rulings and court decisions and compatible with the tax-exempt status of the Foundation. The Foundation will seek to administer the gift according to the intent of the donor, provided such intent does not violate the terms of the Articles of

Incorporation or Declaration of Trust of the Foundation, as the case may be, place other assets of the Foundation at risk, contain any unreasonable condition or restriction, or violate any federal, state or local laws.

## **INVESTMENT OF GIFTS**

All gifts to the Foundation are irrevocable. The donor relinquishes all right, title, and interest to the contributed assets. In particular, the donor relinquishes the right to choose asset allocation, investments, bank, investment agent, broker, or to veto investment choices for any gifts.

The Foundation reserves the right to make any and all investment decisions regarding gifts in accordance with its Investment Policy. However, the Foundation will consider suggestions of the donor for use of a particular bank, investment agent, or broker in accordance with the Foundation's Investment Policy and the Foundation may

consult the donor on the investment options for the assets of a fund. The Foundation's President shall review and recommend to Board of Directors for approval use of any investment agent not currently on the approved list of the Foundation.

### **COSTS OF ACCEPTING AND ADMINISTERING GIFTS**

Except as the Directors may approve in unusual circumstances, the costs associated with the transfer of a gift by the donor, such as attorney fees, accounting fees, and other professional fees as well as other costs including, but not limited to, appraisal, escrow, evaluation, title insurance, and environmental assessment fees are the responsibility of the donor.

Custodial, investment, and administrative fees shall be assessed and paid from the respective funds in accordance with the Foundation's guidelines and fee schedules as approved by the Governing Committee from time to time.

### **CONFIDENTIALITY**

The Foundation shall maintain control over files and information received from or about the donors or prospective donors in order to maintain confidentiality. The Foundation shall not expose the donor or information regarding the donor's gift to the public or media without the consent of the donor.

### **AUTHORITY TO AMEND**

The Foundation reserves the right to amend the Policy and Guidelines.

### **TYPES OF FUNDS**

The Foundation provides Donor Advised Funds to achieve the intent of the donor.

This type of fund allows the donor to make suggestions about amount of distributions of income and/or principal to suggested tax-exempt public charities. Donors, advisors and related parties (as defined for this purpose and below in Internal Revenue Code Section 4958(f)(7)) are prohibited from using a donor advised fund to fulfill legally binding personal pledges. Donors, advisors, and related parties are prohibited from using advised funds to secure from any grantee charitable organizations any "more than incidental benefit" as defined in Internal Revenue Code Section 4967(a)(1). Donor advised funds are prohibited from making grants to individuals. Donors, advisors and related parties are prohibited from receiving grants, loans, compensation or similar payments from donor advised funds.

### **GRANT MAKING**

The Foundation will distribute grants to any public charity located in the United States. The Foundation cannot distribute grants to foreign charitable organizations. The Foundation can make grants to U.S. public charities that fund and support foreign charitable organizations. The Foundation will assist the donor in evaluating other organizations for this process, including advising the donor of any additional administrative fees assessed by another organization.

## **TYPES OF GIFTS**

The Foundation may accept either outright current gifts or deferred gifts, also called planned gifts. Outright gifts may include cash, tangible personal property, intangible property, publicly-traded securities, mutual funds, closely-held stock, real estate, remainder interests in property, limited partnership interests, and limited liability company interests. Deferred gifts may include charitable gift annuities, charitable remainder trusts, charitable lead trusts, retirement plan beneficiary designations, bequests, and life insurance.

## **POLICIES AND GUIDELINES FOR ACCEPTANCE OF TYPES OF GIFTS**

### **CASH AND CHECKS**

Policy: The Foundation may accept gifts of cash and checks as outlined in the General policies and Procedures document.

### **TANGIBLE PERSONAL PROPERTY**

Policy: Upon approval by the Board of Directors, The Foundation may accept gifts of tangible personal property for the purpose of establishing a Donor Advised Fund, including but not limited to, artwork, collectibles, antiques, jewelry, books, livestock, timber, crops, automobiles, and boats, only after a review and approval by the Committee. The proposed gift must be readily marketable, free and clear of encumbrances, or related to the tax-exempt charitable purpose of the Foundation. I. The donor is responsible for obtaining a qualified appraisal of the value of the tangible personal property if it exceeds \$5,000. The donor is responsible for filing IRS Form 8283 and must provide a completed copy. The Foundation is required to file IRS form 8282 if the property is sold within two (2) years of the gift. The delivery of tangible personal property generally requires an actual transfer of possession to effect a completed gift for tax purposes. Noncash gifts with a fair market value of less than \$5,000 may be reported at the value declared by the donor. The Foundation will acknowledge the gift by escription and name of donor, but will not assign a value for tax purposes.

### **PUBLICLY TRADED SECURITIES**

Policy: The Foundation may accept gifts of securities that are readily marketable or traded on a recognized market.

#### Guidelines for Administration:

- I. Prior to the transfer, the Foundation requests that the donor notify Foundation staff of the securities being gifted, the number of shares, the intended transfer date, the fund or purpose of the gift, and the name and phone number of the financial advisor, bank or brokerage firm, if applicable. This information enables the Foundation to properly track the gift and to credit it to the correct donor and fund.

2. In accordance with tax and other law, the Foundation has the right to make all decisions regarding the immediate sale of the gifted securities or to retain as an asset of the fund. The Foundation's standing policy is to sell the securities upon receipt.
3. If gift by wire transfer, the donor should notify the Foundation directly of the proposed gift. The donor must separately provide sufficient written instructions of transfer to the donor's bank or broker. Once confirmed, the donor should provide information as set forth in Item 1 above. The Foundation staff will provide the appropriate account number and DTC wire number of the Foundation's account as well as other relevant information. The date of the gift is the date the securities are transferred to the Foundation's account or when the transfer is made on the books of the brokerage firm.
4. If gift of certificate(s) and by mail, the donor should send the unendorsed stock certificate(s) by registered mail to the Foundation at our business address. In a separate envelope, by regular mail, the donor should send to the Foundation at our business address a signed stock power (one power for each certificate with signature block only completed) and a written statement identifying the donor, address, phone number and email and the number of shares, the name of the stock, and the purpose or fund for which the donor is contributing the securities.
5. The donor should mail both envelopes on the same day. The date of gift is determined by the later postmark.
6. If the donor delivers the certificate(s) to the issuing corporation or a broker for transfer to the name of the Foundation, the gift is complete when the stock is transferred on the corporation's books.
7. If gift of certificate(s) held in the name of an organization or corporation, the donor organization or corporation should provide a corporate resolution indicating that the individual executing the stock power is authorized to do so.
8. In accordance with tax and other law, the Foundation acknowledges the gift of securities and values it at the mean between the highest and lowest quoted selling prices on the valuation date multiplied by the number of shares.
9. The Foundation reserves the right to review and evaluate proposed gifts of securities that may be subject to sale restrictions, right of first refusal, real estate investment trust, debt instruments, or options on a case-by-case basis.
10. The provisions below under "Closely Held Stock, Limited Partnership and Limited Liability Company Interests" relating to the tax on "excess business holdings" are also applicable to gifts of publicly traded securities to donor advised funds.

## **MUTUAL FUNDS**

Policy: The Foundation may accept gifts of mutual funds.

### Guidelines for Administration:

1. The Foundation acknowledges the gift of mutual funds and values it at the public redemption price multiplied by number of shares on the effective date of the transfer.
2. The process for transfer of mutual funds is specific to the fund company, bank or brokerage firm. Therefore, prior to transfer, the donor and the Foundation staff should conduct independent efforts to verify the documentation and forms required to effect the transfer.
3. The donor should provide the Foundation a copy of the most recent mutual fund statement.
4. As appropriate, the Foundation may instruct and assist the donor in the process. Due to confidentiality laws and standards, the Foundation is unable to obtain account- specific information directly from the fund company.
5. The Foundation recommends that the donor monitor the process closely because it generally may take two (2) to six (6) weeks.
6. In accordance with tax and other law, the Foundation has the right to make all decisions regarding the immediate sale of the gifted mutual funds or to retain as an asset of the fund. The Foundation's standing policy is to sell the mutual funds upon receipt.

## **CLOSELY-HELD STOCK, LIMITED PARTNERSHIP AND LIMITED LIABILITY COMPANY INTERESTS**

Policy: The Foundation may accept gifts of closely-held stock, limited partnership or limited liability company interests.

### Guidelines for Administration:

1. The Foundation reserves the right to review and evaluate such proposed gifts on a case-by-case basis. The donor should provide relevant documentation and information to facilitate an assessment of the business activities, underlying assets and liabilities, nature of the interest proposed to be gifted, and potential liabilities associated with the Foundation holding such interests.

2. Because the Foundation is subject to Unrelated Business Income Tax (“UBIT”) on its share of income attributable to an S corporation and income attributable to partnership’s or LLC’s unrelated business, the Foundation requires that distributions be sufficient to pay quarterly estimated UBIT taxes and any other related costs, or that the donor contributes other assets sufficient to allow the Foundation to make such payments.
3. Because the donor’s tax basis will affect the taxable gain of the Foundation upon the sale of the S corporation stock, the Foundation requires relevant documentation to determine its possible tax consequences.
4. The donor must obtain a qualified appraisal if the value of the gift exceeds \$10,000.
5. The donor is responsible for filing IRS Form 8283 and must provide a completed copy. The Foundation will file Form 8282 if the property is sold within two (2) years.
6. The Foundation will not participate in a pre-arranged sale by the donor or any agreement that would impose a material restriction on the proposed gift.
7. The Foundation will retain the securities that are not readily marketable in safekeeping until they can be redeemed.
8. The Foundation may require an indemnification agreement from the donor.
9. 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 the Foundation determines 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 twenty percent or greater interest in a business or in an entity (or thirty five percent if it can be shown that persons who are not disqualified persons have effective control of the business) or Any interest (other than a 2% or lesser interest in both the value of all outstanding interests and voting stock, capital interest, or beneficial interest) in an entity in which any interest is 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, 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 establish procedures to 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 interest.

### **MISCELLANEOUS GIFTS OF PROPERTY**

The Foundation acknowledges that many forms of property exist that may not be specifically described in the Policy and Guidelines. The Foundation reserves the right to consider and evaluate acceptance of other forms of gifts on a case-by-case basis.

### **TRANSFERRING ASSETS OF A PRIVATE FOUNDATION**

Policy: The Foundation may accept the transfer of assets of a private foundation.

Guidelines for Administration:

1. The trustees of the private foundation shall provide the Foundation with a list of assets of the private foundation, particularly if the assets include property other than cash or publicly traded securities.
2. The Foundation staff shall review the list of assets pursuant to the Policy and Guidelines.

### **RETIREMENT PLAN BENEFICIARY DESIGNATIONS**

Policy: The Foundation may accept gifts from retirement plans which includes, but is not limited to, Individual Retirement Accounts (IRAs), 401(k) and 403(b) plans, or other qualified or nonqualified plans.

Guidelines for Administration:

1. The donor should designate the Foundation as the primary, successor or contingent beneficiary for all or a percentage of the assets upon the death of the donor as owner or upon death of the owner's spouse, if applicable.
2. Such beneficiary designation must be on the form prescribed by the trustee or administrator of the retirement account and properly filed with the same.
3. Upon notification of the beneficiary designation, the Foundation requests that the donor provide a copy of the form.
4. The Foundation recommends that the donor set forth his or her instructions in a memorandum of intent, prepared after consultation with Foundation staff.
5. The donor may instruct the Foundation to use the proceeds of a retirement plan to establish a new fund or to add to an existing fund.
6. In the event that the proceeds of the retirement plan do not meet the minimum fund amount to establish a new fund, the proceeds will be deposited in memory of the donor to the general unrestricted fund of the Foundation or to a component fund designated by the donor.