



Gift Acceptance Policy

The Wayne County Foundation is a public charity organized to foster and encourage private philanthropy, enhance the spirit of community, and improve the quality of life in and around Wayne County, Indiana. Accordingly, the Foundation actively seeks current and deferred gifts from individuals, corporations, foundations, and other private entities to further its charitable purpose and mission. The purpose of this policy is to govern the acceptance of gifts by the Foundation and to provide guidance to prospective donors and their advisors when considering gifts to the Foundation, so as to facilitate the gift giving process. It applies to Wayne County Foundation and the Vigran Family Foundation (collectively "Foundation" or "Foundations") and to all other related organizations which the Foundations may specify in the future.

General Policy

The Foundations will accept all forms of donor philanthropy consistent with their mission and policies, including those gifts whose benefits do not fully accrue to the Foundations until some future time. Gifts may be received outright, or by will or by trust. The Foundations will only accept gifts, however, which are consistent with their 501(c)(3) status, reserving the right to refuse any proposed gift, including those which may subject the Foundations directly or indirectly to any restriction or condition that prevents the Foundations from freely and effectively using the assets, or the income derived from them, to further their exempt purposes.

Gifts to the Foundations

Gifts to the Foundations may take a variety of forms. Many are outright gifts by living donors either on a one-time or periodic basis. Others are bequests and testamentary gifts that take effect upon the donor's death. Some are other forms of deferred or split-interest gifts.

Outright Gifts

Cash. The Foundations will accept outright gifts of cash of any amount, including gifts in the form of currency, money orders, checks or electronic transfer. The postmark date is the gift date for gifts of cash mailed to the Foundation. Checks should be made payable to "Wayne County Foundation."

Securities. The Foundations accept both publicly-traded securities and closely-held securities under the conditions described below:

It is preferred that donors transfer marketable securities electronically directly to one of the Foundations' local brokerage accounts. Alternatively, marketable securities may be delivered physically to the Foundation office with the donor's or transferor's stock power attached. It is the Foundations' policy to sell all marketable securities on receipt. The value of the gift will be calculated using the mean share price between the high and low selling prices quoted on the day the stock is transferred.

Acceptance of closely-held securities, which include debt and equity positions in non-publicly traded companies, as well as interests in limited partnerships, limited liability companies, or other ownership funds, must be approved by the Foundation's Board of Directors with consideration given to any restrictions that would prevent its conversion to cash, the marketability of the security, and the potential for undesirable consequences.

Life Insurance Policies. The Foundation must be named both beneficiary and irrevocable owner of an insurance policy before it can be recorded as a gift. The gift will be valued at its cash surrender value on the date of receipt. Should the donor contribute future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year the payment is made. If the donor elects not to continue to make gifts to cover the premium payments, the Foundation's Board shall decide whether to continue to pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its current cash value.

Tangible Personal Property. The property must be saleable and the donor must agree that the property can be sold unless the Foundation agrees to use the property for a purpose related to its exempt purposes. If the Foundation intends to sell a gift immediately rather than use it, the donor will be informed that IRS rules may limit the amount of the charitable deduction to the donor's cost basis, and the donor will be advised to seek professional counsel on the tax consequences of the gift. Appraisals, at the donor's expense, are required for all gifts for which the donor estimates the fair market value to \$5,000 or more. Extraordinary gifts of tangible personal property will be referred to the Board of Directors.

Real Property. Gifts of real estate and bargain sales (a sale of property for less than its fair market value) are governed by the Foundations' separately adopted Policy and Procedure for Potential Gifts of Real Estate.

For gifts of both tangible personal property and real estate, the Foundations will follow IRS guidelines for Noncash Charitable Contributions, and will complete IRS Form 8283 for donations exceeding \$5,000 and IRS Form 8282 when donations are disposed of within two years of receipt.

When evaluating noncash gifts, the Foundations will consider the following:

- a. Are there any issues relating to the gift that could affect the donor's best interest that the donor should consider?
- b. Does the donor have clear title and legal authority to make the donation?
- c. Is the Foundation willing and able to carry out the donor's request?
- d. Is there any material restriction associated with the donation?
- e. Is it in the Foundation's best interest, as related to community goodwill and financial liability, to accept the gift?
- f. Is the Foundation able, within a reasonable period of time, to convert the gift into cash?
- g. What is the cost to convert the gift to cash?
- h. What is the cost to carry the gift until it is converted to cash, which may include debt service, unrelated business income tax, insurance, maintenance, repair, and other taxes?

Planned Giving and Life Income Arrangements

Gifts by Will. Bequests may provide for a specific dollar amount in cash, specific securities, specific articles of tangible property, or a percentage of the residual of the estate. Donors will be advised to name the legal entity of the Foundations (i.e.: "Wayne County, Indiana, Foundation") to indicate clearly their intent. Bequests may be given as unrestricted gifts or gifts that are designated for a particular purpose or program. Donors may also establish a testamentary charitable remainder trust by bequest. In these cases, the principal will pass to the Foundation only after the death of the life income beneficiary or beneficiaries.

Charitable Remainder Trusts. The Foundation accepts designation as remainder beneficiary of charitable remainder trusts - including Charitable Remainder Unitrusts and Charitable Remainder Annuity Trusts. A charitable remainder trust (CRT) is an irrevocable trust created during the life of a donor or through a donor's will or trust. The trust must provide that a specified amount (not less than 5%) of the Trust's value is paid to one or more beneficiaries on an annual or more frequent basis. At least one beneficiary must be non-charitable. The Foundation may serve as trustee for CRTs for which at least 50% of the remainder is irrevocably designated to the Foundation.

Charitable Lead Trusts. The Foundation may accept designation as the income beneficiary of a charitable lead trust. A charitable lead trust is a form of split-interest gift, where the Foundation receives income interest with the remainder interest passing to the donor or some other designated beneficiary for a specified period of time. Because of the complexity of split-interest rules, the Foundation will advise prospective donors in writing to rely on the donor's legal, financial, and tax advisors in determining whether to pursue the gift of a charitable lead trust.

Charitable Gift Annuities. A charitable gift annuity (CGA) is a contractual arrangement between a donor and the Foundation for which the Foundation accepts a transfer of cash, cash equivalents, or publicly-traded securities from the donor in return for periodic payments to the donor and/or one other named beneficiary for life. Upon the death of the donor (or, if applicable, the other named beneficiary), the balance of the principal is retained by the Foundation. A portion of the annual payment is tax-free income to the donor, being considered return of principal. Since the gift annuity is part gift, in addition to the purchase of the annuity, the donor is allowed an income tax deduction. Donors will be advised to seek legal and financial counsel regarding tax deductibility and similar matters. Due to the structure of charitable gift annuities, it shall be the policy of the Foundation that the Foundation will not enter into charitable gift annuity contracts wherein any life income beneficiary is 55 years of age or less.

The annuity is secured by all of the Foundation's assets, and the rate of return used by the Foundation and stated in the annuity contract is determined from tables provided by the American Council on Gift Annuities. No more than two life income beneficiaries will be permitted for any gift annuity. The Foundation will not accept real estate, personal property or any other illiquid asset in exchange for any charitable gift annuity.

Upon the death of the donor and/or other named beneficiary, the funds representing the remaining principal contributed in exchange for the gift annuity will revert to a fund or purpose specified by the donor; or, if no such fund or purpose is specified, the remainder shall revert to the unrestricted use of the Foundation.

Other

The interests of prospective donors shall be a primary consideration with respect to any gift to the Foundations. All prospective donors will be advised to consult their own legal or financial counsel regarding the tax implications of a gift and matters related to estate planning.

Notwithstanding any other provision hereof, the Foundation shall not accept any gift of an interest in a business enterprise for a Donor Advised Fund that would subject the Foundation to tax under Section 4943 of the Internal Revenue Code, concerning "excess business holdings." Any proposed gift that would result in the Donor Advised Fund holding:


- a. 20% or greater interest in a business or in an entity, or
- b. any 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 an opinion on the possible application of Code Section 4943.

In the event that a donation is not accepted, the Foundation will communicate the reason in writing to the donor. Similarly, if a bequest or trust distribution is not accepted, the Foundation will communicate the reason in writing to the executor or trustee.

This policy is subject to revision by the Board of Directors.

Approved July 19, 2012
Reviewed and Affirmed August 21, 2014
by the Board of Directors



Jill King, Secretary



WAYNE COUNTY FOUNDATION

POLICY AND PROCEDURE FOR POTENTIAL GIFTS OF REAL ESTATE

Gifts of Real Estate can be excellent opportunities for donors to support the Wayne County Foundation. The Foundation welcomes gifts of Real Estate and will follow appropriate procedures to protect the interests of the Foundation and the donor. The following policies are designed to maximize the benefit of such gifts to the Foundation and the donor alike.

I. AUTHORITY TO NEGOTIATE

The President has the overall authority to handle inquiries, negotiate with donors, assemble documentation, retain appraisers, surveyors, real estate agents and other technical consultants, and execute agreements on behalf of the Wayne County Foundation assuming such activities follow approved procedures and assuming such agreements are approved by the Foundation's legal counsel. Final authority to accept or decline the property will lie with the Foundation's executive committee or board of directors.

II. EVALUATION OF POTENTIAL GIFTS

A. **Property Description:** Upon initial inquiry, potential donors will be asked to complete a written description of the property and return it to the Foundation with appropriate maps and documentation.

B. **Liens, Mortgages and Encumbrances:** Property which is subject to liens, unpaid mortgages, deeds of trust, judgment liens, unpaid taxes or assessments, mechanics' liens or other encumbrances will be accepted only in exceptional circumstances and upon advice from legal counsel. If accepted, property which is subject to encumbrances will be evaluated as a "bargain sale" (a bargain sale is an arrangement whereby a donor offers property to the Foundation for an amount less than its current fair market value).

C. **Field Evaluation:** Following an offer of a gift of real estate, a member of the Foundation staff or an authorized representative will visit the property. A representative may be a local real estate agent or person as the President may deem appropriate. The purpose of the visit will be to determine the nature and type of the property and to identify any potential problems not evident from initially supplied information that would hinder or prevent the Foundation's sale of property.

D. **Market Evaluation:** Whenever practicable, arrangements will be made to have a real estate agent analyze the property to evaluate the existence of a market for such property. The President may request that the donor provide such an evaluation from a real estate agent acceptable to the Foundation.

III. RESPONSIBILITIES OF THE DONOR

A. The donor will be responsible to obtain a qualified appraisal complying with IRS regulations to establish the value of the gift for federal income tax purposes, including the preparation of Form 8283 ("Noncash Charitable Contributions").

B. The donor or Foundation must obtain a Phase I environmental audit satisfactory to the Foundation. No property will be accepted if there is a likelihood of any liability which could attach to the Foundation as a result of its taking title to the property.

C. The donor must furnish the Foundation with evidence of title which shows that title to the property is free and clear except for current real estate taxes and restrictions of record which would not create any economic burden on the Foundation.

D. The donor will be responsible to prepare the deed and other instruments necessary to transfer the property to the Foundation. All proposed transfer instruments must be reviewed by the Foundation prior to acceptance by the Foundation.

E. Prior to acceptance of the property, the Foundation and the donor must agree in writing on arrangements for paying expenses associated with the property, such as commissions, real estate taxes, utilities, insurance, and maintenance costs. Generally, the Foundation will not advance funds for the payment of such expenses.

F. Donors will be encouraged to discuss contemplated bequests of real estate before finalizing their wills. Property that is bequeathed to the Foundation will be evaluated in accordance with this Policy and Procedure like all other gifts of real property.

IV. PROCEDURE FOR ACCEPTING REAL ESTATE

A. After the requirements of this Policy and Procedure have been satisfied, the President will have the authority to accept or refuse a gift of real property with approval of the executive committee or board of directors.

B. The President may refuse any offered gift of real property that is judged not to be in the best interests of the Foundation.

C. Where appropriate, the Foundation will seek exemption from real estate taxes for real estate.

V. MARKETING AND SALE OF REAL ESTATE

A. After accepting a real estate gift, arrangements will be made to sell or lease the property through a qualified real estate professional.

B. While the Foundation anticipates that in most circumstances the sale price will equal or exceed the appraised value of the property, the terms of the sale will take into account current market conditions, availability of financing and other factors. Any offer that is below 70 percent of the appraised value must be approved by the executive committee or board of directors.

C. If the sale occurs within two years of the date of the gift, the Foundation will report the actual sales proceeds to the IRS on Form 8282 ("Donor Information Return").

VI. REAL ESTATE GIFTS BY BEQUESTS

A. Upon becoming aware that the Foundation has been named to receive a gift under any Will that has been admitted to probate or any trust arrangement, the President will contact the executor, trustee, or other legal representative of the estate, and determine if the Foundation's gift consists of land or, if the Foundation is a residuary beneficiary of the estate, whether the residue passing to the Foundation will contain any land.

B. If the Foundation will or may receive land in satisfaction of the gift, the President will ask the executor, trustee, or other legal representative to conduct an environmental study similar to the one that the Foundation would require if it were to receive an inter-vivos gift. If the executor, trustee, or other legal representative has not made the study and if it does not do so, the Foundation should make its own study or decline to accept the gift.

VII. WHAT THE FOUNDATION WILL NOT DO

A. The Foundation may consider paying for legal assistance, appraisals or other services on behalf of the donor.

B. The Foundation will not establish or corroborate the value of any property for the purpose of substantiating the donor's income tax charitable deduction.

Approved August 12, 2003
by the Board of Directors
Reviewed and Affirmed September 18, 2014



Jill King, Secretary

**CHECKLIST OF REQUIRED ITEMS
IN CONNECTION WITH CONSIDERATION
OF ACCEPTANCE OF REAL ESTATE DONATION**

1. Title Insurance as evidence of clear title.
2. Current appraisal by qualified real estate appraiser.
3. Engineer's written opinion of building condition.
4. Minimum Standards survey of property.
5. Phase I Environmental Audit
6. Discussion with proposed donor regarding any special arrangements for donor's fund or other sources to address ongoing expenses for taxes, insurance, assessments, maintenance, grass cutting, security, utilities, and similar items.

THE WAYNE COUNTY FOUNDATION
REAL PROPERTY INQUIRY FORM

I. Owner(s) _____ Phone _____

Address _____

Property location _____

Land area (acres or sq. ft.) _____

Building area (sq. ft. each floor) _____

Zoning _____

Replacement cost of building _____

Current property insurance coverage _____

Date of acquisition/form of acquisition _____

Current cost basis (includes improvements) _____

Principal balance of mortgage _____

Current fair market value _____

Assessed value for real estate taxes _____

Real estate taxes _____

Land value _____ Building value _____

Most recent appraisal (date) _____ Appraised value _____

Appraiser _____

Occupancy status after transfer of title to charity:

Unimproved (no buildings) _____
Unoccupied (building, but no occupant) _____
Occupied (building with occupants) _____

Please indicate by checking "yes" your awareness of any condition or problem which may affect the title or marketability of the property. Use Section VII to provide additional information.

II.	Title/Zoning	Yes	No
A.	Title	_____	_____
B.	Zoning variances, violations or special permits	_____	_____
C.	Zoning violations	_____	_____
D.	Restrictions or easements	_____	_____
E.	Survey available	_____	_____

III.	Condition of Building	Yes	No
A.	Foundations/slab	_____	_____
B.	Basement water/dampness/sump pump	_____	_____
C.	Roof leaks	_____	_____
D.	General structural	_____	_____
E.	UFFI (formaldehyde insulation)	_____	_____
F.	Asbestos	_____	_____
G.	Lead paints	_____	_____
H.	Termites/ants/pests	_____	_____
I.	Swimming pool	_____	_____
J.	Radon	_____	_____
K.	Building systems	_____	_____
1.	Plumbing	_____	_____
2.	Electrical	_____	_____
3.	Heating	_____	_____
4.	Air conditioning	_____	_____
5.	Hot water	_____	_____
6.	Water supply	_____	_____
7.	Sewage; type	_____	_____
8.	Other fixtures	_____	_____

IV.	Rental/Condominium/Cooperative	Yes	No
A.	Building systems	_____	_____
1.	Leases	_____	_____
2.	Rental arrears	_____	_____
3.	Last month's rent/security deposit	_____	_____

- B. Common area fees in arrears _____
- C. Building or sanitary code violations _____
- D. Operating/capital budget _____

V. Environmental

Yes No

- A. History of property
 - 1. Property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or any other non-residential purposes _____
- B. Condition of property
 - 1. Stressed or denuded vegetation or unusual barren areas _____
 - 2. Discoloration, oil sheens, or foul/unusual odors in water _____
 - 3. Storage drums _____
 - 4. Above or underground storage tanks; vent or filler pipes _____
 - 5. Evidence of oil or other chemicals in soil _____
 - 6. Evidence of PCBs _____
 - 7. Evidence of toxic air emissions _____
- C. Adjacent properties
 - 1. Properties adjacent or close to subject have conditions requiring "yes" answer to any questions in (A) and (B) above _____
- D. Flood plain/wetlands/drainage _____
- E. Endangered plants or wildlife _____

Are you aware of any other information concerning any part of the land or buildings which might affect the decision of a buyer or affect value of property or affect use by buyer? _____

VI. Property Expense Budget

To hold this property as a Foundation asset, the following income and expenses are anticipated:

- A. Income **Annual**
 - 1. Rent _____
 - 2. Other _____
- B. Expenses
 - 1. Real estate taxes:
 First payment due _____ (date) _____
 Second payment due _____ (date) _____
 - 2. Utilities:
 Gas _____
 Oil _____

Electric _____
Water/sewer _____
Other _____

3. Services:
Caretaker/property manager _____
Landscaping _____
Heating/cooling service contract _____
Snow removal _____
Pool services _____
Common area charge (condominium) _____
Security _____
Other _____

4. Maintenance/Repairs _____

5. Insurance _____

Total Expenses _____

Net Income (Loss) _____

VII. Additional Information on Sections II through VII

VIII. Acknowledgments

Owner(s) hereby acknowledge that the information set forth above is true and accurate to the best of my (our) knowledge

Owner

Date _____

Owner

Date _____