

**Rotary Club 29 Foundation
Gift Acceptance Policy**

1.1 SUMMARY:

In order to protect the interests of the Rotary Club 29 Foundation (“Foundation” or “the Foundation”) and the persons and other entities providing support to its programs, these policies are designed to ensure that all gifts to, or for the use of the Foundation are structured to provide maximum benefits to both parties. The goal is to encourage funding for the Foundation without encumbering the organization with gifts that may prove to generate more cost than benefit, or that are restricted in a manner which is not in keeping with the mission of the Foundation.

It is understood that except where stated otherwise, these policies are intended as guidelines, that flexibility must be maintained because some gift situations can be complex, and decisions may only be made after careful consideration of a number of interrelated factors. Therefore, these policies will in some instances require that the Board of Directors (“Board”) considers the merits of a particular gift and a final decision be made by that body.

1.2 GENERAL PROVISIONS:

A. AUTHORITY TO ACCEPT GIFTS

All gifts are subject to final review by the Board. Certain gift arrangements require review and acceptance by the Board, as outlined below. The committee will meet or otherwise review individual gift cases on an as-needed basis and can be convened by any member therein.

The Foundation reserves the right to decline any gift that 1) is not compatible with the mission, goals, or values of the Foundation; 2) it is determined would create embarrassment or liability for the Foundation; 3) would create an undue administrative burden or excessive expenses; or 4) at the Board’s discretion.

B. GIFT RESTRICTIONS

The Foundation will accept gifts that fall within the guidelines established in this policy and that are legal and consistent with the mission and values of Rotary Club of Oklahoma City and its Foundation. Gifts may also be designated for endowment, subject to any applicable endowment policies, or for existing or planned expansion projects.

If circumstances should arise in the future that make it illegal, impossible, or impracticable to use a gift for the purpose specified, if feasible, the donor, will be consulted and a modification of the purpose will be mutually agreed upon. If the donor

is not available, or the contact is not feasible, and court approval is not required, the Board may seek legal counsel as to available options. If court approval for such modification is required, the Foundation will submit a request for modification of this purpose to the appropriate court with jurisdiction over the matter.

If for some reason, the Foundation is unable to comply with the donor's intent or modified intent, or if the gift has been misdirected to the Foundation, a return of the gift may be issued at the discretion of the Board, less any out-of-pocket expenses.

C. USE OF LEGAL COUNSEL

The Foundation may seek the advice of legal counsel in matters pertaining to deferred gifts, complex gift arrangements or gifts of certain non-cash assets. All prospective donors should seek their own legal and financial planning counsel in matters involving financial, tax and estate planning. While representatives of the Foundation may provide information or educational materials regarding various gift opportunities, the ultimate responsibility regarding tax benefits or legal compliance issues rest with the donor and such counsel as the donor wishes to engage.

D. APPRAISALS AND LEGAL FEES

It is the responsibility of the donor to seek and pay for an appraisal by a qualified independent appraiser for a gift of property other than cash or publicly traded securities if the aggregate reported value of the item exceeds \$5,000 and the donor wishes to claim a federal income tax deduction. The appraisal must be completed no earlier than 60 days prior to the date of the contribution and no later than the due date for filing the return.

Generally, all fees incurred in the completion of a gift to the Foundation will be paid by the donor unless payment by the Foundation is authorized by the Board. The Foundation may pay fees or other expenses encountered during the normal course of business to liquidate a gift once accepted from a donor.

E. FINDER'S FEES AND COMMISSIONS

The Foundation will pay no finder's fee or commission of any type to any party in connection with the completion of a gift.

1.3 OUTRIGHT OR CURRENT GIFTS:

A. CASH

Cash or checks are acceptable in any form. Checks may be mailed, electronically transferred, or hand-delivered to the Foundation office, to any Foundation staff person authorized to receive monetary donations. This may include gifts made to Rotary Club 29 that are intended for the Foundation. Credit card gifts may be processed in person or by phone, mail, or Internet.

Cash gifts may also be made via wire transfer. Donors should notify the Foundation when such transactions are initiated to ensure proper credit for the gift.

At the Board's discretion this may include cryptocurrency.

B. SECURITIES

a. Publicly Traded Securities

Securities that are traded on the New York Stock Exchange, American Stock Exchange, other major U. S. and foreign exchanges and the NASDAQ; corporate bonds; government issues and agency securities may be accepted by the Foundation.

Publicly traded securities may be accepted through direct assignment of the security or transfer into a Foundation securities account. Foundation donors should notify the Foundation of the number of shares, intended gift date, and intended purpose of the gift when the transfer is initiated to ensure proper credit.

If the donor has physical custody of the certificates, they should be mailed unsigned by registered mail to the Foundation.

Securities will generally be sold and converted to cash after the gift transfer.

The value of a gift of securities is the mean (average) of the high and low of the stock(s) or bond(s) on the day the transfer is completed. The value of less actively traded securities, rarely traded securities or a security that does not trade on the gift date should be determined according to IRS regulations. The donor will be provided with a written receipt that notes the number and name of shares and the date of transfer.

b. Closely Held or Restricted Securities

Closely held, non-publicly traded or restricted securities may be accepted only after prior review and approval by the Board.

C. MUTUAL FUND SHARES

Mutual fund shares may be accepted by the Foundation. The fair market value of the shares will be determined by the public redemption price of the shares on the valuation date of the gift.

D. TANGIBLE PERSONAL PROPERTY / GIFTS IN KIND

The Foundation will consider gifts of tangible personal property only after a thorough review indicates that the property is:

- a. Free and clear of encumbrances; and
- b. The gift does not create a potential liability; and
- c. The gift is marketable and is consistent with the Foundation's mission.

Authority to accept gifts of tangible personal property is vested in the Board. No gift of personal property that obligates the Foundation to ownership in perpetuity will be accepted without the approval of the Board.

Gifts of tangible personal property will generally be sold and converted to cash after the gift transfer.

Gifts-in-kind with a value less than \$5,000 will be processed in accordance with current IRS regulations. The Foundation may require documentation from the donor to substantiate the donor's cost and/or the market value of the goods donated. It is the donor's responsibility to establish a value of gifts-in-kind for purposes of a charitable tax deduction.

Personal property with an estimated fair market value of \$5,000 or greater will require a certified appraisal if the donor wishes to claim a federal income tax deduction. It is the responsibility of the donor to arrange and pay for such an appraisal by a qualified independent appraiser.

Donors will be provided with a written receipt that includes a description of the property and the gift date. Property sold within two years of transfer requires reporting to the Internal Revenue Service and to the donor.

Items donated for special events, to be consumed, used for prizes or auctions, shall generally be exempt from this section.

E. REAL ESTATE

The Foundation may accept gifts of real property upon review by the Board. The Foundation reserves the right to disclaim ownership of any gift of real property upon decision of the Board.

The following factors will be considered when determining the acceptability of a gift of real property:

- a. Usefulness in furthering the mission of the Foundation;
- b. Marketability of the property;
- c. Existence of environmental hazards or potential risks, restrictions, reservations, easements and/or other limitations;

- d. Carrying costs, such as property owner's association dues, taxes, insurance, and other maintenance expenses;
- e. Fair market value in relation to the costs and limitations listed above as determined by a qualified appraisal conducted in accordance with the IRS regulations.

For gifts of real estate to be recognized, the donor must provide an unconditional transfer of title and possession.

It is the donor's responsibility to pay for any initial appraisal made on the property, when necessary, and to pay all costs incurred in transfer of the property. If a donor wishes to claim a federal income tax deduction greater than \$5,000 for a gift of property, the donor must obtain an appraisal from a qualified independent appraiser and provide the appraisal and a copy of IRS Form 8283 to the Foundation within 60 days of the gift or no later than the due date for filing the donor's tax return.

At its discretion, the Foundation may also obtain independent advice and recommendations from brokers, valuation consultants, appraisers, attorneys, or other professionals before accepting a piece of real estate. Due diligence concerning environmental concerns shall be considered before accepting any gift of real estate. This may involve conducting an environmental audit or assessment of the property.

Special attention should be given to a proposed gift of real estate encumbered by a mortgage that will not be paid in full by the donor at the time of transfer. Such gifts should be reviewed by the Board.

F. OTHER PROPERTY

Other property of any description including mortgages, notes, copyrights, royalties, intellectual property, business/partnership interests, easements, whether real or personal, shall only be accepted by action of the Board.

It is the responsibility of the donor to obtain a certified appraisal if the donor wishes to claim a federal income tax deduction. It is the responsibility of the donor to arrange and pay for such an appraisal by a qualified independent appraiser.

G. MINERAL INTERESTS

The Foundation will accept gifts of oil and gas interests in the form of royalty or mineral interests. Valuation of properties is the responsibility of the donor. Working or leasehold interests are generally not accepted but will be reviewed on a case-by-case basis by the Board.

1.4 DEFERRED OR LEGACY GIFTS:

Any planned gift agreement requires that it first be reviewed and approved by Board.

Donors considering gifts to the Foundation that will take effect at the donor's death should consult with the Foundation staff regarding how to properly designate the gift and to discuss any trust or bequest restrictions under consideration. All donors considering a planned gift arrangement will be encouraged to consult with their own legal and/or financial planning advisor prior to finalizing the gift arrangement.

A. BEQUESTS

Direct, unencumbered bequests will be accepted if the underlying assets are in conformity with the other provisions in this policy. The Foundation reserves the right to reject gifts, after review by the Board, from the estates or trusts of deceased donors that are not in conformity with the terms of this policy.

B. LIFE INSURANCE

Gifts of life insurance are subject to review by the Board. Gifts of paid-up policies will generally be accepted with the understanding that the Foundation will be named as both the owner and the beneficiary. Life insurance policies with premiums due will be accepted only with a written agreement that the donor will provide tax-deductible gifts to pay the remaining premiums or otherwise arrange for premiums to be paid from accumulated dividends or cash value. The Foundation reserves the right to surrender any policy for its cash surrender value at any time.

The Foundation will not endorse any specific insurance products or insurance companies in connection with funding gifts to the Foundation. In no event will the Foundation or its representatives furnish donor names to other persons for the purpose of promoting life insurance to those donors.

C. RETIREMENT PLAN AND LIFE INSURANCE BENEFICIARY DESIGNATIONS

The Foundation will accept any proceeds received as the result of being named as designated beneficiary (or an alternate beneficiary) of a life insurance policy, a deferred annuity contract, an IRA, defined benefit plan, 401(k) plan, defined contribution (profit sharing) plan or other qualified plan, unless the designation imposes restrictions or a trust arrangement, in which case, prior review and final approval may be required by the Board.

D. GIFTS OF REAL PROPERTY WITH RETAINED LIFE ESTATE

The Foundation may accept a remainder interest in a piece of real property with the approval of the Board.

Such gifts are subject to the guidelines set forth in the section above regarding gifts of real estate. The Foundation will encourage donors to consult independent tax or legal counsel prior to making this type of gift. The donor or life tenant is responsible for insurance, taxes, utilities, and maintenance sufficient to maintain the value of the property. The Foundation should have a written agreement with the life tenant or donor regarding these responsibilities and other issues, including environmental

concerns, which would affect the value of the property.

1.5 EXCEPTIONS:

The guidelines contained in this Policy are intended to be a guide to all parties involved. Changes, deviations, or exceptions to these guidelines must be approved by the Board.

Dated _____, 2021.

Rotary Club 29 Foundation

Ann Ackerman
Chairman