

The Florida Bar Foundation

Gift Acceptance Policies and Procedures

**As Approved by the Board of Directors of
The Florida Bar Foundation
September 12, 2019**

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The Florida Bar Foundation

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Section I: Introduction

Gifts to The Florida Bar Foundation should always be in furtherance of the Foundation's mission which reads:

The mission of The Florida Bar Foundation, a philanthropic organization founded by Florida lawyers and the Supreme Court of Florida, is to provide greater access to justice. The Foundation will accomplish its mission primarily through funding of programs which:

- Expand and improve representation and advocacy on behalf of the poor in civil legal matters.
- Improve administration of the institutions of justice.
- Provide financial assistance to students for the study of the law.
- Promote service to the public by members of the legal profession by making public service an integral component of the law school experience.

The Office of Development exists to identify, solicit, facilitate, receive and record philanthropic gifts to The Florida Bar Foundation.

By serving as the gateway for all philanthropic giving the office can maintain a complete giving history for donors to the foundation, ensure that donors are appropriately acknowledged, and make sure that the philanthropy figures presented to external and internal sources are as complete as possible. This document is intended to provide an overview of the policies, procedures and vehicles for philanthropy at The Florida Bar Foundation.

It is the general intent of the Board of Directors of The Florida Bar Foundation that each natural constituent be given the opportunity annually to support The Florida Bar Foundation through regular annual operating funds, periodically to support special fund programs, give to a growing endowment trust fund, and/or regularly to consider a planned gift objective using one or more deferred gift vehicles.

It is customary procedure to seek gifts from individuals, law firms, businesses/corporations and foundations. It is also customary to seek planned gifts according to individual donors' circumstances and personal estate planning objectives.

Gift acceptance policies adopted by the Board of Directors must be adhered to throughout the Foundation. Said policies apply to all managers, support staff, and volunteers which serve the Foundation.

The Florida Bar Foundation on behalf of the Board of Directors must accept gifts in accordance with the policies contained herein. The Board of Directors, in advance of final negotiations, must approve any exceptions to approved policies.

As circumstances dictate, these policies and procedures will be expanded, elaborated or altered as is appropriate. For explanation of any portion which is unclear, please contact the Director of Development or the Executive Director.

Section II: What is Philanthropy?

Gifts are considered philanthropic if the donor has the intent to make a charitable contribution, does not impose contractual requirements on his/her gift, and awards the gift irrevocably. There should be no expected return or benefit from the gift. Philanthropic giving is voluntary.

Generous philanthropy must be earned through confidence in competent management, the presentation of gift opportunities to coincide with the donors' interests, and setting the stage either for asking for support or creating the mechanism for inquiry about support. Sophisticated philanthropic programs and personnel rely upon meeting both the donor's needs and the Foundation's needs from the highest principles of personal integrity, motivation, study, cultivation and resolution.

Section III: General Types of Gifts

A. *Unrestricted:* Because it is impossible to anticipate all funding opportunities in advance of their urgency, and because personal and institutional pressures for human needs and program services continue on an on-going basis, unrestricted gifts permit the Foundation to apply funds in-hand to areas of greatest need which thus can provide the greatest benefit.

B. *Restricted:* Donors who have special interests in providing funds for special purposes can be assured that such use shall be rigorously honored when accepted and when given within allowable federal, state and Foundation guidelines, and according to law.

Named funds -- typically restricted in some manner to honor family, business and professional associates, mentors, or friends -- provide inspirational tributes of permanent value.

Section IV: Purposes of Gifts

A. *Annual Operating Fund:* Basic to all institutions is the need for regular and increasing income support to meet annual operating costs and, in the case of the

Foundation, make increased general support grants to grantees. Such regular annual gift support from individuals, law firms, businesses and organizations is useful for countless areas related to providing on-going services.

B. *Endowment Funds:* The annual income from endowment funds provides vital support for grant programs and special purposes. Deep personal satisfaction results from named funds ensuring particular interests for programs, projects, etc. and knowing that such funds will assist important purposes in perpetuity. Most endowment objectives can be initiated for personal fulfillment while a donor is living and can be added to from time to time and be secured by bequest, estate plan, or the transfer of real or personal property in diverse forms later.

Section V: Forms of Gift Giving

There are a variety of ways to give to The Florida Bar Foundation. The following list is not intended to be totally inclusive, but merely a guide.

A. Outright Gifts –

- 1. *Checks and Cash:*** Checks and cash are the easiest way to give. Checks should be made payable to “The Florida Bar Foundation.” All cash gifts must comply with all legal reporting requirements.
- 2. *Gifts of Securities:*** Securities can be in the form of stocks, bonds, warranties, debentures, etc. The Office of Development should be notified when a donor wishes to make a gift of securities. The office will work with the donor, the donor's broker and the Foundation's broker to facilitate the gift. The donor receives a gift credit of the mean value of the stock on the gift date, which is defined as the day it passes out of the donor's control. The Foundation's policy is to, irrespective of the dollar amount of the gift, liquidate the securities upon receipt as soon as practicable and apply the funds to the area the donor has specified following the Foundation's own investment policies.
- 3. *Gifts of Property:*** Gifts of property may sometimes be accepted as gifts by The Florida Bar Foundation. The donor is responsible for getting his/her own appraisal, and these gifts are generally only accepted if they are determined to have a ready market. Acceptance of all non-cash charitable gifts shall conform to the procedures established by the Internal Revenue Service.

Non-cash gifts with estimated values of less than \$500 will not require an independent appraisal. Such a gift will be accepted and a receipt issued without an established amount of valuation. The receipt will describe the gift, but no amount will be placed upon the receipt.

Gifts of tangible property can take several different forms, some of which are: real property, personal property, and gifts-in-kind.

A gift of tangible property may be accepted only by action of the Board of Directors and with the following conditions: acceptance of such gifts will not involve significant or unbudgeted additional expense for present or future use, maintenance, transfer, or insurance; no financial or other burdensome technical or service obligation or expense is or will be directly or indirectly incurred by the foundation as a result thereof; the donor secure an appraisal from recognized experts to determine dollar evaluation for the donor's tax purposes; such gifts have notable value – i.e. gift of items of limited value shall be discouraged; gifts not in keeping with the mission of the Foundation and requiring significant expertise for maintaining (art objects, antiques, etc.) shall not be accepted in any case; the terms of the gift of any object or site expressly authorize, whenever possible, the sale and/or exchange as appropriate with income from such sale to be used for the purpose or purposes of the donor's gift; and the gift agreement will not include any condition, understanding, or expectation that the items will be loaned back to the donor or to the donor's designee for life or extended periods of time to be determined by the donor without the express approval of the Board of Directors.

4. *Bargain Sales*: Transfer of the appreciation only in real estate, tangible personal property, securities, etc. provides a gift to the Foundation while retaining some cash payout for the donor.
5. *Patents and Copyrights*: The rights to future gain and benefit on intellectual properties covered by the patent or the copyright would become the Foundation's.
6. *Royalties, Mineral Rights and Oil Leases*: Future payments on these types of properties provide income to the Foundation or the Foundation can sell them for cash.

These aforementioned gifts are entered in the donor gift system with a credit value comparable to what the donor would receive as a deduction if possible.

B. Planned Gifts –

Planned giving vehicles allow donors to receive a favorable charitable deduction, favorable tax consequences, and possibly annual income.

The policy guidelines which follow are set forth to: protect the interests of a deferred gift donor,

protect the interests of The Florida Bar Foundation, and delineate the responsibilities of the various departments within the Foundation with respect to deferred gifts. These guidelines can not embrace all areas in which judgment must be exercised. The Foundation Board of Directors must exercise sound judgment in handling situations not specifically covered. In view of the importance of gift planning to the Foundation, those charged with attracting them must be given wide latitude and at the same time must insure that the integrity of the Foundation be maintained.

1. *Foundation's Role:* The role of the Foundation in handling deferred gift arrangements, especially trusts, is similar to that of a trustee with precisely the same responsibilities as those of a commercial trust company. Although the Foundation is also the remainderman, it is obligated to treat all such transactions as transfers-in-trust and not as conditional gifts to the Foundation. Trust assets, therefore, are not Foundation assets until the trust terminates, and all accounting procedures will so reflect. Particular attention must be paid to the restrictions against self-dealing. Except for very unusual circumstances, no trust agreement shall be entered into which places the Foundation in a position of administering the ongoing personal financial matters of a donor.

2. *Treatment of Donors:* Solicitation of deferred gifts should be based on the assumption that prospective donors are interested in helping the Foundation, even though incidental and perhaps important investment and tax benefits to the donor might be present.

No public media exposure with respect to a gift will be given any donor without the donor's consent.

3. *Use of Counsel:* The Florida Bar Foundation may seek the advice of legal counsel in all legal matters pertaining to its gift planning program. Sample agreements and language are incorporated throughout the entirety of this policy document. Any gift plan agreement that does not conform to the policies outlined herein shall not be accepted by the Foundation.

4. *Role and Responsibilities of Staff and Board:* Those members of The Florida Bar Foundation staff authorized to negotiate gift plans and agreements with prospective donors following these guidelines and the specifications of the gift plan agreement are the executive director and the director of development. The Foundation board officers and any two of the executive director, the director of development and the director of finance and administration shall have the authority to sign gift plan agreements. Any agreement that does not follow these guidelines or specifications of the board of directors of the Foundation shall require special approval by the board before the gift can be accepted.

It shall be the responsibility and duty of all Florida Bar Foundation employees and directors involved in the solicitation of gifts to conduct themselves in such a fashion to avoid the appearance of impropriety and undue influence with donors. The following prohibitions exist: Any person employed by The Florida Bar Foundation is prohibited from accepting the role of a “personal representative,” “trustee” or “executor” in any gift plan created by a Florida Bar Foundation donor to whom said employee is not related by marriage or blood; any person who holds a fiduciary duty to The Florida Bar Foundation should avoid accepting the role of a “personal representative”, “trustee” or “executor” in any gift plan created by a Florida Bar Foundation donor to whom said person is not related by marriage or blood except in rare circumstances. However, if such a role is accepted, it should be done with full disclosure to the donor and the board of directors. Said disclosure and any acknowledgment that follows should be in writing and held in the donor’s file for future reference.

- 5. *Administration of Planned Gifts:* The administration of gift plan arrangements must be a cooperative effort between the office of the executive director, the finance and administration office and the development office. This cooperation must be ongoing and be based on prescribed responsibilities, such as record keeping, mailing of checks, preparation of tax forms, donor stewardship, access to information, etc.

Administrative fees will not normally be assessed by the Foundation against deferred gift arrangements of which it is the sole beneficiary or beneficiary of the majority of the trust assets. However, when a gift plan arrangement held by the Foundation names charitable beneficiaries in addition to the Foundation, an administrative fee may be assessed at a rate of one-half (1/2) of one percent (1%) against the portion of the trust corpus which represents the non-Foundation interest as determined by the gift plan’s valuation as of the last day of the gift plan’s tax year.

Investment of deferred gift funds by The Florida Bar Foundation will be according to the specific guidelines established by the Investment Committee and the Board of Directors realizing such investment must be prudent in order to serve the donor and the work of the Foundation.

Funds received for gift annuities and annuity trusts will be recorded in an annuity/life income fund and invested independently and shall be segregated from other assets of the Foundation.

Donor life income payments shall be written according to the following

schedule:

Annually	January 1
Semi-annually	January 1 and July 1

Quarterly

January 1, April 1, July 1 and October 1

When The Florida Bar Foundation becomes aware that a life income gift has matured, the office of development shall coordinate the transfer of the funds. The finance and administration office shall determine the current value of the gift in order to know the exact amount to be transferred. Said transfer shall be approved, in order, by the director of development, the director of finance and administration, the executive director, and the board of directors.

4. *Currently Available Gift Plan Arrangements by Type:*

Bequests –

- Specific bequests
- Residuary bequests
- Contingent bequests

Life Income Plans –

- Charitable gift annuities and deferred charitable gift annuity
- Charitable Remainder Unitrust (CRUT)
- Net-income Unitrust with makeup provision
- Charitable Remainder Annuity Trust (CRAT)

Other Planned Gift Arrangements –

- Charitable Lead Trusts
- Gift of remainder interest in a residence or farm
- Planned gift of life insurance

Section VI. Gift Evaluation and Intake Management

A. Receiving and Handling Assets: Once it is received, an asset (check, cash, security or security transaction papers, or any other asset which can be shown visually) should be photocopied for the development office and eventually the donor's file, then the actual asset is deposited or safeguarded by finance and administration. Once the copied asset is received by development, it is entered on the donor's record and acknowledged. It remains the responsibility of the development office to maintain a paper trail for each gift.

B. Supporting the Costs of Fundraising: Raised funds should cover the costs of raising the funds as well as legitimate additional operating costs of the grant program which utilizes the raised funds. As a general guideline, no more than 10% of a gift should be used for expenses.

C. Non-Cash Assets: The Foundation may accept any non-cash asset with approval from the Board of Directors. Before accepting such an asset, the Director of

Development should review the following factors and prepare a proposal for the Board's review:

1. The usefulness of the asset for the Foundation's purposes.
2. The marketability of the asset and any associated costs with disposing of the same.
3. The existence of restrictions, reservations, easements, or other limitations which apply to the asset.
4. The existence of encumbrances.
5. The carrying costs (taxes, maintenance, insurance, fees).
6. The ability to determine the fair market value of the asset.

D. Real Property: An additional evaluation should be prepared when considering real property. The additional considerations should be:

1. An inquiry of the present owner regarding his, her or its knowledge of the history of the property.
2. A title search to determine the property is free from encumbrances or title defects and/or a title insurance policy to assure receipt of a clear, marketable title.
3. A consultation with federal, state, and local environmental agencies to find out whether the property has any history of hazardous waste contamination.
4. A visual inspection of the property for any evidence of environmental hazards.
5. A consultation between the director of development and the director of administration and finance. If warranted, a consultation with legal counsel should occur.

E. Non-Cash Asset Management: Once it is accepted, the office of development should work with the office of finance and administration to arrange for taking possession of the asset, to properly title the asset, take pictures of the asset, conduct an inventory, if needed, secure insurance, arrange for payment of taxes, arrange for display area, establish a maintenance schedule, etc. The donor's file should contain pictures, a note of the asset's location, and the appropriate acknowledgments.

F. Gift Valuation: Acceptance of all non-cash charitable gifts shall conform to the procedures established by the IRS. In the event an appraisal is required to establish the amount of the allowable deductions, it shall be the responsibility of the donor to secure and pay the independent appraiser. If a non-cash contribution is disposed of by the Foundation within two years after the receipt date, a form 8282 will be completed by a representative of the Foundation, filed with the IRS and a copy provided to the donor. Prior to final acceptance of the gift, responsibility for completion of IRS form 8283 will be that of the Foundation. Upon receiving the appraisal, the Foundation will issue to the donor a receipt for the appraised amount. Said amount will be reported to the IRS.

Non-cash gifts less than \$500 will not require an independent appraisal. Such a gift will be accepted and a receipt issued without an established amount of valuation. The receipt will describe the gift, but no amount will be placed upon the receipt. It will be the privilege and responsibility of the donor to establish the deductible amount for the purposes of reporting to the IRS. If the donor wishes to have receipt with the exact value of the gift stated, it will be the donor's responsibility to establish the deductible amount to be reported pursuant to the procedure outlined by the IRS.

G. Gift Plan Restrictions: The following restrictions will be observed in accepting planned gifts and can only be altered by action of the Board of Directors:

1. *Charitable Gift Annuity* -- Charitable gift annuities will be issued only for amounts of \$10,000 or more, for one or two lives, and for individuals age 60 and older. Deferred gift annuities will be issued for individuals under 60, but for no more than two lives and for an amount not less than \$25,000. The Florida Bar Foundation shall follow the charitable gift annuity rates established by the American Council on Gift Annuities.
2. *Charitable Remainder Annuity Trust (CRAT)* -- An individual over the age of 50 may establish a CRAT for a minimum of \$50,000. At the minimum funding level there can be no more than two beneficiaries.
3. *Charitable Remainder Unitrust (CRUT)* -- An individual over the age of 50 may establish a CRUT for a minimum of \$100,000. At the minimum funding level there can be no more than two beneficiaries.
4. *Life Insurance Policy* -- An individual may establish a life insurance gift for the Foundation. If the policy is not paid up but instead requires the Foundation to make premium payments from gifts made by the individual insured and the individual insured is under 40 years of age, the minimum policy must be for \$500,000. If the individual is under 60 years of age but over 40 years of age, the minimum policy must be \$250,000. If the individual is over 60 years of age the minimum policy must be \$100,000. In each funding level, the policy can be for only one life.
5. *Charitable Lead Trust* -- An individual may establish a charitable lead trust for a minimum of \$1,000,000. If the individual can demonstrate the benefit to the Foundation for a lesser amount, the proposal will be presented to the Board of Directors who will make the final decision.

H. Trusteeship: With the exception of charitable gift annuities, the Foundation will encourage a donor to seek the services of a professional trustee, i.e. a bank trust department. If it is the donor's express desire that the Foundation serve as a trustee, then the issue will be brought before the Board of Directors for approval. Before accepting the responsibility of trusteeship, the Board of Directors should consider such

issues as the costs associated therewith, the time involved in administering the gift plan arrangement, which Foundation personnel have the expertise and time to perform such tasks, the liability exposure for the Foundation, etc.

I. Disclosure Compliance and Dispute Prevention:

1. At the time a gift plan arrangement is being negotiated, the director of development must document all contact. Said documentation should consist of notes from telephone conversations, call reports, correspondence and proposals. All such documentation should be kept in the donor's gift file and be in chronological order.

2. When preparing a gift plan proposal, the director of development should verify in writing the following items:

- the donor's goals, financial and otherwise;
- the names, addresses and telephone numbers of all the donor's family members;
- the name, professional credentials, address and telephone number upon whose advice the donor is relying (even if the person is a family member);
- all costs to be paid by the donor initially and in the long term;
- that the Foundation does not have the power to invade the gift plan corpus even for needs; and

Further, the director of development shall receive verification in writing that the donor has determined (s)he has other assets and that they are sufficient enough to provide for donor during the donor's lifetime.

3. The staff person should assess the gift plan arrangement to minimize the exposure to risk. In so doing, the staff person should determine the nature of the asset being considered, the donor's history with the institution, the donor's understanding of his or her assets, family members, the donor's ability to make decisions, the donor's character and the donor's relationship with his or her family.

4. The staff person should also make sure that any gift plan proposal defines very specifically words such as "income", "deficiency", "makeup", "irrevocable", "revocable", "trust", "charitable gift annuity", "beneficiary" etc.

5. It is also important that any fee payment restrictions be set out in writing and provided to the donor and the donor's family.

6. Before executing any gift plan arrangement, the donor should sign an acknowledgment that said donor has read and understands the document, and

has consulted with a professional regarding the tax and estate implications of this gift plan arrangement.

Section VII. Gift Plan Drafting Considerations

For all gift plan arrangements, all terms should be clearly defined in the instrument. Such terms include “income”, “deficiency”, “makeup”, “irrevocable”, “revocable”, “trust”, “charitable gift annuity”, “beneficiary”, “residuary”, “heir”, “devisee”, “remainderman”, “insured,” etc. When reviewing a trust document, terms or clauses should be defined and contained therein. Some such terms and clauses are: “conflict of interest”, “waiver clauses”, “donor’s powers”, “payment of costs”, “trustee’s powers”, etc. When providing language for a bequest, the following sample language will serve as a guide to a donor’s professional advisor:

A. Fixed Amount or Designated Property: “I give, devise and bequeath to The Florida Bar Foundation, Inc., Orlando, Florida, the sum of \$_____ (or property description) to be used by the Board of Directors in carrying out its corporate objectives and purposes.”

B. Percentage of the Estate: “I give devise and bequeath to The Florida Bar Foundation, Inc., Orlando, Florida _____% of my estate to be used by the Board of Directors in carrying out its corporate objectives and purposes.”

C. Residual Bequest: “All the residue of my estate, including real and personal property, I give, devise and bequeath to The Florida Bar Foundation, Inc., Orlando, Florida, to be used by the Board of Directors in carrying out its corporate objectives and purposes.”

D. Contingent Bequest: “If all of the above named beneficiaries should predecease me, I hereby bequeath his/her/their share of my estate to The Florida Bar Foundation, Inc., Orlando, Florida, to be used by the Board of Directors in carrying out its corporate objectives and purposes.

E. Charitable Gift Annuity: When drafting charitable gift annuity agreements, staff shall assure that the agreement is in compliance with Florida law governing charitable gift annuities.

F. Permanency Clause: As appropriate, the terms of any designated or endowed fund must include language to permit the Board of Directors to assign different, alternative, modified, but related use of such funds as conditions might dictate at some point in the distant future. Such action may be authorized by the donor by including the following clause in the transfer of assets while living or by bequest:

“If at any time in the future, a need does not exist for this Fund, or if the terms and provisions of this Agreement should conflict with any laws, statutes, regulations or ordinances, the Board of Directors of the Foundation shall have authority to select an appropriate use for this Fund which shall come as near as possible to fulfilling the wishes of the Donor(s).”

Other options for giving can be explored with the director of development.

Section VIII. Gift Recording, Crediting and Acknowledging

A. Pledges: A pledge is an agreement by a donor to make a gift over a specific time period. A written pledge document should be signed by the donor and specify the donor, the gift purpose or account, a schedule showing payment dates and amounts, and when pledge reminders are to be sent. It is preferable for pledges not to exceed five years from initiation until final payment is made.

B. Crediting Gifts: Gifts of cash will be credited at face value and securities will be credited at the mean market value on the date of the gift, determined by averaging the high and low selling price on the date of transfer to The Florida Bar Foundation. With respect to securities, neither losses or gains realized by the sale of securities after their receipt, nor brokerage fees or other expenses associated with the transaction are to affect the gift value.

Legal credit, also known as hard credit, is given to the entity who actually makes the gift. They could “legally” treat their gift as a charitable gift. Soft credit is given to simply show association with a gift, and allows the Foundation to credit a donor for fundraising recognition purposes. Soft credit donors cannot regard the gift as a charitable contribution. All gifts must be credited towards the appropriate donor entity.

C. Adjusting Gifts and Pledges: Changing information about a donor’s gift or pledge requires written documentation, preferably from the donor. Exceptions to this would be the case of correcting any errors made during gift entry, bounced checks, or writing off pledges determined to be uncollectible.

Documentation about write-offs and pledge changes must be sent to the office of finance and administration.

D. Date of Gift: The date of gift is determined to be the date it passes out of the donor’s control. For cash/check donations and securities sent through the US Mail, this is the postmark date on the envelope. For hand-delivered and non-US Mail (e.g. FedEx or UPS) the credit date is the date received, and for securities held in an account, it is

the day it was transferred from the donor account to The Florida Bar Foundation account.

Determining and reporting the date of the gift is always the responsibility of the donor. As the Foundation receipts and acknowledges gifts made to it, only the date the gift is processed/ recorded by the development office is to be reported.

E. Acknowledging: The goal is to send acknowledgments to donors within 24 hours of receipt of the gift. The acknowledgment shows the donor's name and address, value of the cash gift, the fund name, and any tribute information. For non-cash gifts, a description of the gift is provided instead of a gift amount. As of January 1, 1994, the IRS requires donors to have an official acknowledgment for any gift of \$250 or greater in order to claim a charitable tax deduction. The office of development issues these on behalf of the Foundation.

F. Reporting: Donors will receive annual reports on uses of endowed and restricted operating funds, insofar as practicable.

Section IX: Records

A. Confidentiality of Records: The Florida Bar Foundation takes very seriously the need to always maintain confidentiality of giving records of individuals, firms, businesses/corporations and foundations. To this end, both electronic and hard copy donor records are maintained and their security monitored by the office of development. Giving, pledge histories and current information are routinely available only to staff in the management area. They are made available to members of the Board of Directors on a "need to know" basis for work on campaigns and development projects.

The Florida Bar Foundation Office of Development maintains a database of biographical and gift/pledge information about members of the Florida Bar, other friends, law firms, corporations, foundations and any other donors in accordance with the general needs and expectations of the Foundation. The information contained in this database is intended exclusively for purposes related to Florida Bar Foundation programs and shall be held confidential.

Information maintained by the office of development is not available for release for any commercial or political purposes.

B. Funds: All gifts are credited to an account number that corresponds to the purpose of the gift stipulated by the donor. If the donor does not choose a specific purpose for his/her gift, it is deposited to the Foundation unrestricted operating fund.

If no current operating account exists that meets the purpose the donor designates, then one will be created.

Guidelines for procedures and minimum amounts required to establish a named endowed fund, if an appropriate one does not exist, follow.

C. Endowment Funds: The Board of Directors may authorize establishment of a “generic” endowment fund for a restricted purpose if it is in a broad general area which promises to exist as an area for making grants for the long-term foreseeable future. Such a fund will be created with the intention of adding other gifts to it, and it will not carry the name of any specific donor.

The Board of Directors may authorize establishment of a named endowment fund with payment or pledge (not exceeding five years duration) of at least \$200,000. The earnings from a fund established as herein provided and not terminated shall continue to be capitalized annually until the minimum stated above has been reached and the purposes of the fund activated. (NOTE: Minimum dollar amounts for endowment fund objectives cited herein are guides. If inflation continues and costs rise, donors and the families thereof may be encouraged to add to established funds.)

A fund may also be activated, even though the principal amount may not have reached the stated minimum, provided the donor will undertake a binding obligation to supplement the income of the fund with annual gifts to complete the intended funding level until the principal reaches the minimum level.

Section X. Soliciting and Utilizing Gifts

A. Acceptable Gifts: Gifts of cash, securities, and other personal and real property directly and indirectly through fiduciary devices are acceptable unless contrary to law.

B. Unacceptable Gifts: Unacceptable gifts are those which contain restrictions as to relatives or descendants as beneficiaries, contain restrictions reserving the designation of beneficiary of the gift to the donor or his/her assigns, contain conditions requiring the future employment of any specified person, contain unreasonable conditions of gifts of partial interest in property, and/or permanently commit the Foundation to the naming of a facility, program or endowment fund where the instrument committing the gift is revocable.

C. Group Funds: The solicitation of funds to be maintained by the Foundation but which are to be used or administered by other groups or individuals is prohibited. Gifts or funds either for current use or endowment solicited by board or staff should be solicited in the name of the foundation only.

D. Memorial and Honor Gifts: Gifts to honor, memorialize or otherwise recognize individuals, whether while a donor is living or established by bequest, shall be subject to the Board of Directors approval if the conditions of the gift are outside the normal giving procedures.

Approved by the Board of Directors on December 8, 2000
Amended September 12, 2019