



## Gift Acceptance Policy

Midlands Community Foundation wants to encourage donors to establish charitable funds for the benefit of the community and to provide efficient and effective ways for those funds to be administered to serve charitable needs. Midlands Community Foundation will seek to provide fair and appropriate tax benefit to the donor in keeping with current tax laws. The Foundation will utilize its staff and professional resources in an attempt to maximize benefit to the donor and recipient agencies from a charitable gift.

Some gifts to the Midlands Community Foundation are contingent upon an appropriate fund agreement being executed for the management of the gift. The Foundation will fully disclose to the donor the policies governing any fund for which a gift is intended. It is the intention of the Board of Directors that all funds will be component funds of the Foundation. All fund agreements are subject to final approval by the Midlands Community Foundation's Board of Directors.

Gifts should not have material restrictions or conditions which could prevent the Foundation from freely or effectively utilizing the gift or could jeopardize the completion of the gift for tax deductibility purposes.

The donor should provide all appropriate disclosures related to any gift which:

1. could generate any expense or liability to Midlands Community Foundation
2. could lessen the gift's charitable benefit to the community
3. could prevent the Foundation from freely or effectively utilizing the gift.

The donor should seek appropriate legal and tax advice regarding the tax benefits, deductibility, and other financial and estate planning issues related to any gift to Midlands Community Foundation. The donor is responsible for the valuation of all gifts and the filings of any required personal tax return forms. Midlands Community Foundation will provide a letter of receipt for tax purposes.

Donors can utilize a wide-range of assets in making a charitable gift. The Midlands Community Foundation will work with donors to help make charitable gifts possible. The guidelines provided in this policy outline the considerations that should be weighed in accepting different types of assets as charitable gifts. Gifts will be reviewed with respect to:

1. the charitable intent and community benefit as reflected in the fund agreement
2. the administrative cost required to manage the gift
3. the time expected before charitable benefit would be received
4. the ability of the Midlands Community Foundation to appropriately manage the gift within the scope of its investment guidelines and resources available

Specific guidelines for acceptance and management of gifts are as follows:

#### Cash and cash equivalents

Cash, checks and credit cards gifts can be accepted from any donor.

#### Stocks, Bonds, Mutual Funds and other Marketable Securities

Publicly traded securities can be accepted through direct transfer into Midlands Community Foundation's securities trust department unless the securities are subject to other restrictions. The gifts will be sold and proceeds invested according to the general investment policies of Midlands Community Foundation. Each gift will be valued based on current IRS guidelines. Proceeds to the appropriate fund will be determined by the sale price and any applicable sales costs.

#### Planned Gifts

By making a gift through their estate plans, donors can defer their giving and create a giving legacy that benefits a charitable purpose or organization. These types of gifts are often referred to as planned gifts. Planned gifts can relieve the tax burden on a donor's estate while also benefiting a charitable organization or program. Below are descriptions of planned gifts that the Midlands Community Foundation can facilitate.

#### Charitable Gift Annuities

A charitable gift annuity provides the donor not only with income for life but also creates a lasting gift to the community. Through charitable gift annuities, a donor can make a gift with cash or other assets and receive income for life, then at the end of the annuity, the remaining assets will go to the charitable funds of the donor's choosing.

#### Bequests

With a bequest, a donor can designate a percentage, the residual or their entire estate to benefit an existing fund or to establish a new fund.

#### Retirement Plan Assets

Retirement plan assets are subject not only to estate taxes, but also income taxes. To reduce this burden on any heirs and to create a charitable legacy, donors can use their retirement plan assets to maximize their charitable contributions by establishing a donor advised fund at the Midlands Community Foundation. The donor's heirs can make suggestions as to which charitable organizations or causes to support with the earnings from the fund.

#### Charitable Remainder Trusts

A charitable remainder trust allows a donor to place assets such as appreciated property in a trust that pays annual income to the donor or a beneficiary for life or a term of years. Upon the trust's termination, the remaining assets will benefit a fund designated by the donor. This can be an existing fund at the Midlands Community Foundation or a donor advised fund established by the donor.

#### Life Insurance

Ownership of paid up policies will be accepted with the understanding that Midlands Community Foundation will be both the owner and beneficiary. Life insurance policies with any premium due will be accepted with the understanding that the donor will provide tax deductible gifts to pay the premiums or otherwise arrange for premiums to be paid from accumulative dividends or cash value. Midlands Community Foundation may surrender any policy for its cash surrender value at any time.