



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