



Coastal Community Foundation

Gift Acceptance Policy

The following policies and guidelines govern acceptance of gifts made to Coastal Community Foundation (CCF) and its component funds. The Foundation will accept gifts, both of cash and non-cash assets in a manner beneficial to the donor while protecting the fiscal and legal integrity of the institution. Donors also can make gifts through their wills or other planned giving methods. The Foundation will work with each donor to accomplish his or her gift in compliance with the policies adopted by the Foundation.

The Board of Directors of Coastal Community Foundation and its staff encourage and solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the Foundation. The purpose of these policies and guidelines is to govern the acceptance of gifts by the Foundation and to provide guidance to prospective donors and their advisors when making gifts to Coastal Community Foundation.

In compliance with the Treasury Department regulations governing community foundations, gifts to CCF may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the Foundation from freely and effectively employing the transferred assets, or the income derived in furtherance of its exempt purposes. The Foundation reserves the right to refuse any gift that it believes is not in the best interest of CCF or the donor.

Confidentiality

All board members, committee members and staff must hold strictly confidential all issues of a private nature, including, but not limited to, issues related to private businesses, contributions from individuals, businesses and other private entities and all personnel matters.

Ethics

The Coastal Community Foundation strives to maintain the highest ethical standards in all policies, procedures and programs. The Foundation's Board of Directors will accept gifts only where there is genuine donative intent, where there has been full disclosure between the donor and the Foundation including, to the best of CCF's ability, full disclosure of any tax or other ramifications to the donor, where the donor has been encouraged to seek her/his own counsel on legal and financial matters, and where the gift is in the best interest of both parties. The Foundation will not accept gifts that would jeopardize the financial, legal or moral integrity or reputation of the institution.

Current Gifts

The following assets are acceptable either as outright gifts, as bequests or estate gifts, or when appropriate, as funding for a charitable remainder trust or lead trust. All gifts are subject to

approval by CCF staff and outside legal counsel. The Foundation may decline a gift for any reason.

1. **Cash** - The Foundation accepts cash, check, and money orders. Checks should be made payable to Coastal Community Foundation.
2. **Securities** - The Foundation accepts gifts of publicly traded stocks and bonds. As a general rule, It is CCF's policy to sell all marketable securities upon receipt.
3. **Securities in closely held corporations** - To be accepted, such stocks must have a qualified appraisal performed by an independent professional appraiser. Prior to approval, these gifts are reviewed by CCF staff and legal counsel in order to assess liquidity and liability potential. Any such interest may be accepted provided that the Foundation assumes no liability in receiving the interest.
4. **Real Estate** - All real estate gifts must be approved by the Foundation's Board of Directors and legal counsel.

Real Estate guidelines for acceptance:

- a. The donor will provide the Foundation with a qualified, independent appraisal of the property's fair market value.
 - b. The donor must provide the Foundation with proof of a clear title to the property.
 - c. All gifts of real estate shall be subject to review by the Board of Directors regarding environmental concerns, legality, mortgages, easements, or other restrictions on the property.
 - d. Donors shall agree to pay for the costs of an environmental audit.
 - e. The Foundation shall not accept gifts of real estate with restrictions upon the ultimate sale of the property.
 - f. Property that is accepted by the Foundation is subject to immediate liquidation and / or sale.
5. **Life Insurance** - The following are methods by which a donor may make a contribution of life insurance to the Foundation.
- a. The donor irrevocably assigns a paid-up life insurance policy to the Foundation
 - b. The Foundation may be named as a percentage or contingent beneficiary of any life insurance policy.
 - c. The donor may assign irrevocably a life insurance policy on which the premiums remain to be paid, If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, Coastal Community Foundation may:
 - Continue to pay the premiums
 - Convert the policy to paid up insurance
 - Surrender the policy for its current cash value

6. **Gifts of Personal Property-** Gifts of personal property are reviewed on a case-by-case basis. All gifts of personal property shall be liquidated by the Foundation as soon as possible after their receipt.
7. **Bargain Sales** - A “bargain sale” is the sale of real estate or other property to the Foundation for an amount less than the property’s fair market value. All “bargain sales” must be approved by the Board of Directors. The property’s fair market value must be supported by a qualified, independent appraisal, which shall be an expense incurred by the donor. The gift is usually the difference between the sale price and the market value.
8. **Retirement plans** – The Foundation may be named as the beneficiary of a retirement plan.

Gifts other than cash will be valued in an appropriate manner and consistent with sound accounting principles. Full responsibility rests on the donor for claiming any deductions including filing form 8283, and any appraisals or other documentation. Full responsibility also rests on the donor for the value given to tangible personal property or services, and donors will be expected to provide Coastal Community Foundation with a copy of any qualified appraisal required.

Unrestricted Gifts

Unrestricted gifts not clearly directed to benefit a particular fund at the Foundation shall be placed in The Future Fund. This fund provides resources for the Foundation’s operations, community outreach and community grantmaking. At any time, the Foundation’s Board of Directors may allocate an unrestricted gift for current grantmaking or an unrestricted endowment.

Bequests

The Foundation receives bequests from persons who have directed in their wills that certain assets be transferred to the Foundation. The Foundation's legal name is *Coastal Community Foundation*.

Sample bequest and language for restricted and unrestricted gifts are available from the Foundation for individuals and their professional advisors. Donors are encouraged to notify the Foundation when it is included in their estate plans.

The following life income agreements are acceptable when in compliance with the Internal Revenue Code at the time the gift is established, and is subject to reformation as tax laws change.

Life-Income Gifts

Life-income gifts are those that are structured in such a ways to provide a stream of income for the donor or another for a term of years or for their lifetime. These gifts can be made during the donor’s lifetime or through a testamentary vehicle. All life-income gifts will be approved by the Board of Directors for acceptance of the governing documents. Coastal Community Foundation

may accept gifts from both charitable remainder annuity trusts and charitable remainder unitrusts.

1. **Charitable Remainder Annuity Trust** - Under a Charitable Remainder Annuity Trust, the donor irrevocably transfers property to the Foundation. the donor, or one or more beneficiaries designated by the donor, is paid a fixed dollar amount annually for the term of the trust, which may be a term of years, or for the life of the beneficiary(ies). Upon termination of the income beneficiary interest, the assets of the trust will be transferred to the Foundation.

The Foundation encourages the use of a Trustee suitable to the donor including banks or other appropriate institutions.

2. **Charitable Remainder Unitrust** – The charitable Unitrust is similar to the annuity trust except that the donor receives a fixed percentage of the net fair market value of the trust’s assets each year. There are several legally acceptable forms of the charitable remainder unitrust 1- “straight” unitrust, 2- “net income” unitrust 2) Net income with make-up provisions.
3. **Charitable Lead Trust** - The charitable lead trust is one in which the Foundation receives the income from the fund for a period of at least ten years and one day. The remainder is returned to the donor or another named non-charitable beneficiary. The Foundation may receive an annuity payment or unitrust payment as outlined in the trust instrument.

The Foundation encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust. When desirable, the Foundation will provide sample documents and calculations for the donor and his or her advisors to review.