



INDEPENDENT
PRESBYTERIAN CHURCH
FOUNDATION

FUNDRAISING, FUND CREATION AND GIFT ACCEPTANCE POLICIES

Fundraising Policy:

All fundraising conducted on behalf of the Foundation shall be coordinated through the Department of Stewardship and Development with the consent and approval of the Foundation Board of Directors.

Fund Creation Policy:

The Foundation board is responsible for creating and dissolving funds. These funds may be created to make grants and/or distributions to further the mission of the Foundation.

The following guidelines apply to all funds:

- A minimum investment of \$25,000 is required to create a new fund, whether unrestricted or designated. After a fund has been created, additional donations of any amount will be accepted.
- The purpose of the fund, whether unrestricted or restricted to a specific program or purpose, must be defined.
- A spending policy for each fund that adheres to donor restrictions and intent will be established and approved by the Foundation finance committee.
- A schedule of projected distributions will be prepared by the Foundation Executive Director and approved by the Foundation board annually.
- All funds will pay its fair share of general costs of the Foundation, including administrative expenses such as employee salary and benefits, audit, legal, and other shared costs.
- Any costs specifically identified to a fund will be charged directly to that fund.

Gift Acceptance Policy:

The Director of Stewardship and Development together with the Executive Director of the Foundation are responsible for reviewing all gifts made to the Foundation, properly screening and accepting those gifts, and making recommendations to the Board on gift acceptance issues. In certain instances, legal counsel may be sought as described below.

I. Types of Gifts

The following types of gifts may be accepted by the Foundation. All gifts are to be recorded in accordance with generally accepted accounting principles.

1. **Cash**: can be accepted in any form.
2. **Publicly-Traded Securities**: The Foundation will accept publicly traded securities. These securities will be sold as quickly as possible upon receipt to maximize the value of the donor's gift.
3. **Privately-Traded Securities**: The Foundation will accept privately-traded securities with the review and approval of the Foundation Board. Factors to consider in accepting privately-traded securities include:
 - An understanding of the business and assessment of potential liability associated with ownership;
 - A review of any buy-sell agreements that may restrict the Foundation's ability to sell the assets and/or recognize the value of the assets;
 - The market for sale, and timeline of potential sales of the asset; and
 - Such other factors identified in the review process.
4. **Tangible Personal Property**: The Foundation may accept tangible personal property gifts valued at \$10,000 or greater if the gift will generate adequate revenue for the organization and meet the purposes for which the gift is intended. In assessing the appropriateness of the gift, The Foundation Board should address the following questions:
 - Is the property marketable? What is the market for and costs of transportation to market and sale?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs (insurance, storage, ongoing maintenance) for the property?
 - Are we going to sell it or use it in the Foundation's mission which makes a difference under IRS laws?
5. **Real Estate**: The Foundation may accept gifts of unencumbered real estate with a market value of \$100,000 or greater subject to board approval. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Foundation shall require an initial environmental review of the property to insure that the property is not contaminated with environmental damage. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the initial environmental audit and any subsequent environment audit shall generally be an expense of the donor. Prior to acceptance of the real estate, a title binder shall be obtained by the Foundation. The cost of this title binder shall generally be an expense of the donor.

The following criteria applies to gifts of real estate:

- Is the property useful for the purposes of the Foundation?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages or notes, etc., associated with the property?
- Does the audit reflect that the property is free of environmental damage?

6. **Remainder Interests In Real Property:** The Foundation may accept a remainder interest in real property subject to the provisions of paragraph 4. The donor may continue to occupy the real property for the duration of the life of the donor or per the terms of the agreement. All expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary until the property is transferred to the Foundation. Prior to acceptance of remainder interests in real property, the gift shall be approved by the Board, and if necessary, the Foundation's legal counsel.
7. **Oil, Gas, and Mineral Interests:** the Foundation may accept oil and gas property interests, where appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Board, and if necessary, by the Foundation's legal counsel.
8. **Bargain Sales.** The Foundation will enter into a bargain sale arrangement in instances in which the bargain sale furthers its mission and purposes. All bargain sales must be reviewed by legal counsel and approved by the Board of Directors.
9. **Charitable Remainder Trusts:** The Foundation with the approval of the Board of Directors may accept designation as remainder beneficiary of a charitable remainder trust. The Foundation will not accept appointment as Trustee of a charitable remainder trust. Donors will be encouraged to appoint a professional fiduciary in this role.
10. **Charitable Lead Trusts:** The Foundation with the approval of the Board of Directors may accept a designation as income beneficiary of a charitable lead trust; however, the Foundation will not accept an appointment as Trustee of a charitable lead trust.
11. **Bequests and beneficiary designations:** Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans, make bequests to the Foundation under their wills and trusts, name the Foundation as a beneficiary or contingent beneficiary of their life insurance policy and/or name the Foundation as a beneficiary of the remainder of a Donor Advised Fund.

II. Use of Legal Counsel

The Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate. Review by counsel is recommended for:

- a. Review of closely held stock transfers that are subject to restrictions or buy-sell agreements.
- b. Review of documents naming the Foundation as Trustee.
- c. Review of all gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation.
- d. Review of all transactions with potential conflict of interest that may invoke IRS sanctions.
- e. Such other instances in which use of counsel is deemed appropriate by the Board of Directors.

III. Conflict of Interest

The Foundation will not provide legal or tax services to donors, although it may discuss options, alternatives, and benefits of various gifts with them. All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Foundation staff and directors shall not benefit personally from fees related to gifts received, and finder's fees shall not be paid to any person. The Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the Partnership for Philanthropic Planning shown as an appendix to this document.