

# **CASS COUNTY COMMUNITY FOUNDATION GUIDELINES FOR ACCEPTANCE OF NON-CASH GIFTS**

*Approved by the Board of Directors April 5, 2001  
Amended by the Board of Directors May 10, 2011  
Reaffirmed by the Board of Directors August 13, 2015*

## Artwork/Collectibles

1. All proposed gifts of artwork/collectibles will be considered on a case-by-case basis.
2. The donor must provide one qualified appraisal as to the value of the artwork/collectibles dated no earlier than 60 days prior to the proposed date of the gift. The Cass County Community Foundation (“CCCF”) reserves the right to conduct its own, independent appraisal of the artwork/collectibles if necessary.
3. Gifts of artwork/collectibles that are accepted by the CCCF will not be disposed of in the first two years following the date of the gift.
4. In reviewing the acceptance of the gift, the CCCF shall take the following into consideration:
  - a. CCCF’s interest in the item(s);
  - b. Whether the item(s) are marketable;
  - c. CCCF’s ability to safeguard the item(s);
  - d. The cost to insure the item(s) from theft, loss or destruction.

## Life Insurance Policies

1. For donor recognition purposes, only gifts of both the ownership and beneficial interest in policies with guaranteed values, paid in full at age 65, will be recognized.
2. The donor must provide a statement from the issuing insurance company as to the value of policies in existence prior to the date of contribution.
3. In the event a donor ceases making premium payments, the CCCF shall consider the following options:
  - a. Cash surrender;
  - b. Exchange for paid-up policy with lower face value;
  - c. Using accumulated/future dividends to make premiums;
  - d. Using cash value to keep policy in force for period of time;
  - e. Other options.
4. The CCCF reserves the right to make exceptions to any of the above guidelines.

## Privately Held Securities

1. All proposed gifts of privately held securities will be considered on a case-by-case basis.
2. The donor must provide one qualified appraisal as to the value of the shares (based on the value of the underlying corporation) dated no earlier than 60 days before the proposed date of the gift.
3. In reviewing acceptance of the gift, the CCCF shall take the following into consideration:

- a. Whether there are any restrictions/time limits on the CCCF's right to sell the shares to third parties or to the issuing corporation;
  - b. Whether owning the shares would subject the CCCF to potential liability;
  - c. Whether owning the shares would subject the CCCF to potential tax on Unrelated Business Taxable Income;
  - d. Whether owning the shares could subject the CCCF to embarrassment if its ownership of the shares became public knowledge because of the nature/type of business/reputation of the issuing corporation;
  - e. Whether the CCCF could realistically expect to profit from holding the shares for a period of time.
4. The CCCF reserves the right to make exceptions to any of the above guidelines.

#### Publicly Traded Securities

1. It is the intent of the CCCF to liquidate all gifts of publicly traded securities immediately, unless the securities are deemed an appropriate addition to the CCCF's portfolio by the CCCF's investment manager(s).
2. The CCCF reserves the right to make exceptions to the above guideline.

#### Real Estate

1. All proposed gifts of real estate will be considered on a case-by-case basis.
2. The donor must provide one qualified appraisal as to the value of the real estate dated no earlier than 60 days before the proposed date of the gift.
3. When the CCCF accepts a gift of real estate which it intends to sell in the near future, the CCCF must notify (in writing and before the contribution) of this intention and of the CCCF's obligation to file IRS Form 8282.
4. In reviewing acceptance of the gift, the CCCF shall take the following into consideration:
  - a. Whether it can use the property for its exempt purpose or evaluate the property as an investment property;
  - b. Whether the donor has good title;
  - c. Future environmental clean-up liability exposure, including, but not limited to, conducting a Level One Environmental Assessment;
  - d. Marketability of the property;
  - e. Likelihood of and estimated amount of appreciation which could be realized if the CCCF held the property for a period of time (if property is evaluated as a potential investment property);
  - f. Costs of owning the property.
5. The CCCF reserves the right to obtain an independent appraisal of the property.
6. The CCCF reserves the right to make exceptions to any of the above guidelines.

#### Gift of Remainder Interest in a Residence or Farm

1. All proposed gifts of a remainder interest in a residence or farm will be considered on a case-by-case basis.
2. The donor must provide one qualified appraisal as to the value of the real estate dated no earlier than 60 days before the proposed date of the gift.
3. In reviewing acceptance of the gift, CCCF shall take the following into consideration:
  - a. Whether the CCCF is interested in owning the property at some point in the future;
  - b. Whether the donor has good title;
  - c. The future environmental clean-up liability exposure, including, but not limited to, conducting a Level One Environmental Assessment;
  - d. Marketability of the property;
  - e. Likelihood of and estimated amount of appreciation which could be realized if the CCCF held the property for a period of time (if property is evaluated as potential investment property).
  - f. Costs of owning the property.
4. The CCCF reserves the right to obtain an independent appraisal of the property.
5. The CCCF reserves the right to make exceptions to any of the above guidelines.

#### Charitable Remainder Trusts

1. All proposed gifts of charitable remainder trusts will be considered on a case-by-case basis

#### Donor Advised Funds

1. The CCCF shall not accept any gift of an interest in a business enterprise that would result in excess business holdings for CCCF and subject the Foundation to tax under IRS section 4943.
2. **Any** gifts to a Donor Advised Fund of an interest in a business or entity shall be referred to the CCCF legal counsel for opinion and suitability for the Foundation regarding excess business holdings and IRS Code 4943.

**Amendment to The Acceptance of Non Cash Gifts**  
*Approved by Board of Directors June 13, 2002*

**Guidelines for management of non-cash gift from time of donation until the gift is sold**

Donated assets, such as publicly traded securities, that can be and are sold quickly can be handled the same as cash donations with the net of the sale used as the value of the donation.

For donated assets not so readily disposable, there are a number of management issues that must be dealt with between the time the gift is received and its eventual disposition. These issues include:

1. Determination of the value assigned to the gift.
2. Allocation of the costs for protecting, maintaining, and selling the gift.
3. Handling of income the gift may produce.
4. Handling of costs the gift may incur.
5. The possibility of selling the gift in part(s).
6. Length of time to sell the gift.
7. Provisions for the Cass County Community Foundation (“CCCF”) to hold the gift indefinitely.
8. Assessment of management fees.
9. Making of Grants.

If the donor agrees to use a standard agreement, the gifted asset then becomes the property of the CCCF at the moment the donation is accepted. All costs and income attributable to the gift would accrue to the CCCF. The gift would be valued according to IRS rules, and in all other ways the gift would be handled the same as a cash gift.

Should the donor not want to follow standard agreement language then a separate agreement must be negotiated that addresses all the issues listed above. In negotiating this agreement the CCCF will honor the Donor’s wishes in a manner that is consistent with CCCF policies and UMIFA standards. **All such agreements must be reduced to writing reviewed by an attorney, approved by the Board of Directors and signed by all parties.**