

Community Foundation of Greater Muscatine

Gift Acceptance

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Introduction

The Community Foundation of Greater Muscatine actively works to improve the quality of life in Muscatine County through philanthropy. To accomplish this mission, we will:

- Build a substantial endowment to provide for community needs for generations to come.
- Serve donors' needs by providing flexible, convenient, and cost-effective means to achieve charitable giving goals.
- Educate the public about charitable giving strategies and encourage inclusion of charitable giving in wills.
- Promote philanthropy in the service area.
- Provide a neutral place for collaboration of community improvement initiatives.

The Gift Policy is established to assure that each gift to the Community Foundation is structured to provide maximum benefits to the community, the donor, the Community Foundation and the beneficiaries of the Community Foundation's charitable programs and activities.

Scope

These policies address both current and deferred gifts, with an emphasis on specific types of deferred gifts and gifts of non-cash property. The goal is to encourage financial support for the Foundation without encumbering it with gifts which either generate more cost than benefit, or which may be restricted in a manner that is not in keeping with the Foundation's charitable purposes or applicable laws governing charitable gifts. These policies also describe the types of funds that the Foundation maintains.

Notwithstanding anything in this policy to the contrary, the Foundation reserves the right to waive any requirements herein with respect to acceptance of specific gifts.

Ethical Standards in Dealing with Donors

Every person acting for or on the Foundation's behalf shall adhere to the standards set forth in Donor Bill of Rights. The Donor Bill of Rights is available upon request. (See above).

The Foundation is committed to the highest ethical standards of philanthropy and development. In all transactions between potential donors and the Foundation, the Foundation will aspire to provide accurate information and full disclosure of the benefits and liabilities that could influence a donor's decision, including with respect to the Foundation's fees, the irrevocability of a gift, prohibitions on donor restrictions, items that are subject to variability (such as market value, investment return, and income yield), the Foundation's responsibility to provide periodic financial statements with regard to donor funds, investment policies, and

other information needed by donors to make an informed choice about using the Foundation as a vehicle of charitable gifts. In addition, all donors will be encouraged to discuss their gifts with their own financial and tax advisors before signing any gift agreement. The role of the Foundation's staff is to inform, guide, and assist the donor in fulfilling his or her philanthropic goals, without pressure or undue influence.

The Foundation recognizes the paramount role of donors and their gifts to the Foundation in executing its charitable mission. In carrying out the Foundation's development program, staff will recognize and acknowledge donors in appropriate ways, both publicly and privately, subject to the Foundation Policy on Confidentiality. Donors reserve the freedom to determine the degree and type of recognition that they prefer, and the Foundation respects the confidentiality of donors who do not wish to be publicly recognized. The Community Foundation will provide donors with a written acknowledgment of gifts received within two weeks.

Funds

Component funds within the Community Foundation are categorized into two broad areas:

- endowed, known as Endowments
- or non-endowed known as Charitable Funds.

Endowment Fund is intended to be a permanent charitable resource which over the long-term generates annual earnings for growth and granting purposes. Endowments may be established for specified designated charities, specific charitable fields of interest, scholarships, donor advised charitable interests, the unrestricted Cares & Shares Endowment and the Community Foundation's unrestricted or operating expenses. Grants will be determined annually through a spending rate determined from time to time by the Board of Directors with counsel from the Investment Committee. Any endowment fund eligible for the Endow Iowa Tax Credit Program is restricted to a maximum spending rate of 5%. The Spending Grant Policy is available upon request.

Charitable Fund is also established for a charitable purpose but is not intended to be permanent. Instead, the intent is to add contributions from the donor or other donors while meeting ongoing charitable needs. Charitable Funds may be established as unrestricted or for specified designated charities, specific charitable fields of interest, scholarships, fiscal sponsorships, donor advised charitable interests and community events and projects.

Types of Funds

Within these categories the Community Foundation offers different types of funds including:

- **Unrestricted Funds.** Gifts to these funds provide support for the Community Foundation to help our community. The Community Foundation makes distributions to support effective work of charitable organizations throughout the area we serve.

The Cares & Share Endowment Fund is an unrestricted fund. Grants from earnings on investment go to address critical needs, enhance the quality of life, and ensure the Community Foundation will continue to serve now, tomorrow, and well into the future. It will always be directed by a local Board of Directors ensuring that your gift stays here to assist Muscatine County residents.

- **Field of Interest Funds.** These funds support a specific charitable interest or cause. Distributions are determined by the Foundation consistent with the fund's purposes. Where appropriate, the Foundation may create an advisory committee to make recommendations for distribution.

- **Designated Funds.** These funds support a designated charitable organization or a designated community or region. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund.
- **Donor Advised Funds.** Donors may recommend grants to charitable organizations. There are many benefits and some restrictions. The Donor Advised Fund Policy is available upon request.
- **Scholarship Funds.** These funds provide financial grants to educational institutions for students. Scholarship funds can also support vocational training and assistance in paying for special courses. Donors establish eligibility criteria and may serve a minority role on selection committees.
- **Agency Funds.** These funds are created by qualified charitable organizations, as described in section 501(c)(3), which is other than a private foundation under section 509(a) of the Internal Revenue Code, that designate themselves as the fund's beneficiary. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund.
- **Project Funds.** These funds are established for community betterment projects that are temporary in nature by providing fiscal and administrative support.
- **Fiscal Sponsorship Funds.** These funds help new charitable projects without nonprofit status get off the ground by providing ongoing fiscal and administrative support.
- **Disaster Relief and Emergency Hardship Funds.** Contributions to these funds help people in time of need and help our community recover when disasters strike. The Foundation makes distributions from these funds to support effective organizations that provide assistance to individuals and community organizations.

Irrevocability of Gifts

Donations made to the Community Foundation are irrevocable and become assets of the Community Foundation. There are many good reasons for this. Community foundations can provide the most favorable tax advantages allowed by law including the Endow Iowa Tax Credit of up to 25% for gifts to eligible endowments.

Also, the Community Foundation can legally invest its own funds and provide donors the maximum benefit of pooling funds.

Rest assured that your gifts can only be used for the purposes intended. That means the Community Foundation has a legal and ethical responsibility to be the caretaker and administrator of these funds, not only through the oversight of our current Board of Directors, but all future boards.

Variance Power

Things can change over time, but the Community Foundation will remain. Perhaps a charitable organization goes out of existence, or the original purpose of a fund is no longer relevant. The Community Foundation can

address these situations through its variance power. This gives the Community Foundation's Board the ability to make changes to a fund when its purpose is no longer necessary, can no longer be fulfilled, or has become inconsistent with the charitable needs of the community. This helps protect donors by avoiding the need for complex and costly legal proceedings. The Variance Power Policy is available upon request.

Process

Following an informational meeting of the donor(s) and staff, a determination is made as to the type of fund. Designated staff will utilize the following Procedures for Review and Acceptance of Gifts. Upon conclusions that the Community Foundation can accept the gift, standard fund agreements are then reviewed and signed by the donor(s) and the initial gift is collected. All funds established must gain approval by the Board of Directors.

Procedures for Review and Acceptance of Gifts

In reviewing gifts to the Community Foundation, designated staff will consider the following criteria:

- The charitable intent and ultimate community benefit,
- The nature of any restrictions,
- The permanency of the gift; or in the case of a non-permanent fund, the amount of time the fund will remain with the Community Foundation,
- Projected costs of managing the gift asset,
- Fee revenues to the Community Foundation for administering the gift, and that the
- Gift is consistent with the purposes, bylaws, and procedures of the Community Foundation.

Authority to Accept Gifts

Acceptance by Staff. Any of the Community Foundation's employees may accept, for and on the Community Foundation's behalf, any of the following:

- Cash
- Checks
- Tangible gifts of usable office supplies, furniture, and equipment

Acceptance by Board of Directors or Assigned Committee. Gifts requiring review and approval of the Board of Directors, or their assigned committee include the following:

- Life insurance where the Foundation is beneficiary only or may otherwise benefit,
- Publicly traded securities,
- Gifts by Will or Trusts,
- Charitable remainder trusts, charitable lead trusts, or charitable gift annuities, if funded with cash or publicly traded securities,

- Gifts of real estate or any other asset that has real estate holdings as an element of its value (e.g., certain limited partnerships or other business entities),
- Interests in business entities (i.e., closely held corporations, partnership, and limited liability company interests),
- Life estates including remainder interest in a residence or farm,
- Tangible personal property,
- Grain, and
- Livestock.

Authority to Negotiate and Sign Gift Agreements

Designated Staff will have the authority to handle inquiries, negotiate with donors, assemble documentation, retain expert and technical consultants, and execute agreements on the Foundation's behalf.

Purpose of Gifts

The purpose of each gift to the Foundation must fall within the Foundation's broad charitable purposes. The Foundation cannot accept any gift that will be directly or indirectly subject to any material restriction or condition by the donor that prevents the Foundation from freely and effectively employing the gift assets or the income from such assets to further its charitable purposes. In addition, the Foundation reserves the right to reject any gift that might place the other assets of the Foundation at risk or that is not readily convertible into assets that fall within the Foundation's investment guidelines. The Foundation may also decline a gift if it is not able to administer the terms of the gift in accordance with the donor's wishes.

Members of the Executive Committee may be consulted in the review of gifts.

Gifts requiring review by Board of Directors, or their assigned committee, will be handled promptly.

Community Foundation staff will deliver to the Board of Directors or their assigned committee all information necessary to decide. If a gift is not accepted, the donor(s) will be notified in writing by staff immediately. All gift reviews will be handled with confidentiality.

Minimum Gifts

Subject to the policies set forth in this document, the Community Foundation may accept gifts to existing funds of any size.

- The minimum gift for a new endowment fund is \$10,000 and \$2,500 for a non-endowed fund.
- A new fund may be established with a lower minimum if the donor arranges regular donations to bring the fund to the minimum funding level within a reasonable time frame.
- No grants may be made from any fund until the minimum funding level is reached.

- Exceptions are subject to the approval of the Community Foundation's Board of Directors.

Investment of Gifts

The Community Foundation reserves the right to make any or all investment decisions regarding gifts to it in accordance with its Investment Policy, as amended from time to time.

In making a gift to the Community Foundation, the donor gives up all rights, title and interest to the assets contributed. In particular, the donor relinquishes the right to choose investments and investment managers, brokers, or to veto investment choices for the contributed assets.

When the size of a fund warrants separate investment consideration, and when otherwise permitted by law, the Foundation will endeavor to accommodate requests from donors for separate investment of fund assets, or use a particular investment manager, broker, or agent in accordance with the Foundation's Investment Policy and may consult with donors on investment options for such fund.

Costs of Accepting and Administering Gifts

Generally, costs associated with the acceptance of a gift, such as the donor's attorneys' fees, accounting fees, and appraisal and escrow fees, are borne by the donor.

The direct costs of administering gifts are generally paid out of the assets of the individual funds. Custodial, investment, and administrative fees are paid from the respective funds in accordance with the Community Foundation's guidelines and fee schedules.

Fundraising by Donors

Because the Community Foundation is legally responsible for all fundraising undertaken on its behalf, fundraising undertaken by donors in connection with funds of the Community Foundation must be approved in advance by the Community Foundation pursuant to the Community Foundation's policy on donor-initiated fundraising, available upon request. All such fundraising activities are also subject to the Community Foundation's supervision.

Excess Business Holdings

The Pension Protection Act of 2006 amended section 4943 of the Internal Revenue Code to limit ownership of closely held business interests in a donor advised fund. A fund's holdings, together with the holdings of disqualified persons (donor, advisor, members of their families and businesses they control) may not exceed any of the following:

- 20% of the voting stock of an incorporated business,
- 20% of the profits interest of a partnership, joint venture, or the beneficial interest in a trust or similar entity, or
- Any interest in a sole proprietorship.

These limitations do not apply if the **donor advised fund** holds an interest that does not exceed two percent of the voting stock and two percent of the value of the business.

Donor advised funds receiving gifts of interests in a business enterprise have five years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury.

To prevent a violation of these rules, the Community Foundation's policy is to divest itself of such holdings within five years from the date the Community Foundation acquired the asset. If that is not possible, the asset will be transferred to a new or existing fund that is not an advised fund.

Types of Gift Assets

Generally, gifted assets will be either:

- "liquid" assets such as cash or marketable securities, or "illiquid" assets defined as everything that is not cash or marketable securities.

With respect to non-cash assets, it is the Community Foundation's general policy to liquidate all gifts promptly. On occasion, the Board of Directors or their assigned committee may decide that it will not liquidate certain gifts immediately.

Factors for consideration include:

- Market conditions - a gift may be retained for a reasonable period of time if the likely sales price would be substantially less than the asset's real value. Similarly, a large block of stock might be sold over a period of time in order not to artificially depress the price.
- Use by the Community Foundation - the Community Foundation may elect to keep gifts that it will employ directly in furtherance of its exempt purposes. For example, the Community Foundation might keep real property that it will use as its offices.
- Desirability as an investment - on rare occasions, the Community Foundation may be given property that it wishes to retain as an investment. Considerations in this decision include the projected return and how the asset fits into the Community Foundation's investment portfolio.

If a fund's illiquid assets do not generate a sufficient return to permit grantmaking that is consistent with the assets' value, the Community Foundation will seek an additional gift of cash or marketable securities to allow the fund to begin making distributions.

Subject to Board approval, the Community Foundation may accept the following types of gifts:

Liquid Assets

The Community Foundation accepts gifts of cash:

- In currency of the United States or a currency that can be easily exchanged,
- By checks made payable to the Community Foundation for the component fund, or
- By credit cards or wire transfer to the Community Foundation's account(s).

Publicly Traded Securities

General. The Community Foundation accepts gifts of marketable, publicly traded stocks and bonds. As a general rule, publicly traded stocks and bonds contributed to the Community Foundation will be redeemed or sold as soon as practicable.

- All proceeds from such redemption or sale less commissions and expenses are then credited to the component fund to which the stocks or bonds were originally contributed.
- The Community Foundation may accept gifts of publicly traded stocks and bonds in any amount to any existing fund. However, gifts to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement.
- **Appraisal.** No appraisal is required so long as the stock or bond is not subject to any restrictions, including those imposed by contract or the Securities Exchange Commission.

Where appraisal is not required, the value of the gift is determined by calculating the mean of the high and low prices of the securities on the date of the gift.

Illiquid Assets

Real Estate

General. This policy applies to all gifts of real property, including outright gifts of residential and commercial property and farmland; bargain-sale transactions; and gifts of remainder interests in which the donor retains a life estate.

- The Community Foundation does not accept gifts of time shares.
- Gifts of real property must be reviewed by the Board of Directors or its assigned committee. Subject to approval, the Community Foundation may accept gifts of real property to any fund.
- Gifts to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement.

In deciding whether to accept real property gifts the Community Foundation will:

- Determine whether the real estate gift is an acceptable minimum value.
- Confirm that the donor has legal capacity and is entitled to convey the property through copies of deed, title report, etc., provided by donor.
- Determine whether, if property is encumbered by debt, the debt is of a level that will not unduly burden the Community Foundation or adversely affect the marketability of the property.
- Perform a market and financial analysis prior to acceptance of the gift to determine whether the gift is a financially sound acquisition.

- Weigh its ability to manage commercial property for the time necessary to sell the property. For example, income producing property may subject the Community Foundation to unrelated business income tax and/or other types of expenses, including but not limited to, upkeep of land, maintenance of buildings and management of property.
- Evaluate whether any restrictions on the gift desired by donor will jeopardize the classification of such gift as charitable.
- **Appraisal.** Each gift of real property giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.
- **Distributions.** Distributions from a component fund that consists entirely of real property are limited to the net income generated by the property less fees assessed by the Community Foundation and any unrelated business tax imposed thereon.
- **Liquidation.** The Community Foundation will generally seek to sell real property as soon as possible and generally will not accept gifts that cannot be liquidated within three years.
- **Procedures for Accepting Gifts of Real Property.** Donors will provide the information and documents requested at the earliest possible time prior to the acceptance of the gift. Copies of those forms are appended to this policy. The Community Foundation may request additional information or documents when necessary to its evaluation of the proposed gift.

Whenever possible, a member of the Community Foundation staff, or an authorized representative will visit the property to determine its nature and type and to identify any potential problems not evident from information supplied by the donor that might hinder or prevent the Community Foundation's sale of the property.

- **Environmental Assessment.** If the property type warrants, Donors will provide at least a Phase I Environmental Report with disclosure of any environmental problems or statement that none exists. Not every property will warrant an environmental assessment, however the Community Foundation reserves the right to require such assessment at the Donor's expense.

Closely Held Stock and S Corporation Stock

General. Gifts of closely held and S corporation stock must be reviewed by the Board of Directors or their assigned committee. Subject to the Committee's approval, the Community Foundation may accept gifts of closely held or S corporation stock in any amount to any existing fund.

- Gifts to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement.
- The Community Foundation may accept gifts of stock in closely held or S corporation that generate unrelated business income only if certain agreements are reached with the donor and/or the corporation. These include an agreement by the donor that the taxes on the unrelated business income

and the Community Foundation's associated administrative expenses (accounting and tax return preparation) will be charged against the fund holding the contributed stock.

- Further, the donor should agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses to the extent there is insufficient cash in the subject fund balance to cover such taxes and expenses.
- The Community Foundation will review corporate governing documents to determine the rights and obligations associated with the stock and whether the Community Foundation should undertake such obligations in light of such rights.
- The Community Foundation will review the corporation's most recent tax returns and the donor's most recent K-1 to determine the nature of the income associated with the stock (unrelated business income, active versus passive business).
- All proposed transfer documents must conform to the Community Foundation's form or be approved by the Community Foundation's counsel.
- As a condition for the Community Foundation's acceptance of the gift, a written agreement between the donor and the Community Foundation should be in place that provides for the payment of administrative expenses and unrelated business income taxes generated by the stock to the extent there is insufficient cash in the fund to which the stock has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Community Foundation against all liabilities incurred by the donor on account of the stock up to the date of the gift.
- The donor shall provide the Community Foundation with all documents which outline, discuss, or relate to the duties and liabilities which shareholders have, including Shareholder Agreements.

General Partnership Interests

The Community Foundation generally does not accept gifts of general partnership interests due to the unlimited liability of general partners.

Limited Partnership Interests

General. Gifts of limited partnership interests must be reviewed by the Board of Directors or their assigned committee. Subject to the Committee's approval, the Community Foundation may accept gifts of limited partnership interests in any amount to any existing fund.

- Gifts to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement.
- The Community Foundation reserves the right to carefully screen all proposed gifts of limited partnership interests to ensure that they place no undue risk upon the Community Foundation.

- The Community Foundation generally does not accept gifts of interests in partnerships that carry on active business. Interests in passive, investment-type limited partnerships such as those holding real estate, stocks, and bonds, are preferred.
- The Community Foundation may accept gifts of limited partnership interests that generate unrelated business income only if certain agreements are reached with the donor.
 - These include an agreement by the donor that the taxes on the unrelated business income and the Community Foundation's associated administrative expenses (accounting and tax return preparation) will be charged against the fund holding the partnership interest.
 - Further, the donor would have to agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses to the extent there is insufficient cash in the subject fund balance to cover such taxes and expenses.

Appraisal. Each gift of limited partnership interest must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.

Distributions. Distributions from a component fund that consists entirely of limited partnership interests are limited to the income distributed to the Community Foundation by the partnership less fees assessed by the Community Foundation and any unrelated business income taxes imposed thereon.

Liquidation. The Community Foundation will generally seek to redeem or sell limited partnership interests contributed to it within three years.

Procedures for Accepting Limited Partnership Interests. The following procedures apply to all proposed gifts of limited partnership interests:

- The Community Foundation will review the partnership governing documents to determine the rights and obligations associated with the limited partnership interest and whether or not the Community Foundation should undertake such obligations in light of such rights. If required, the donor should be asked to obtain the other partners' consent to the gift as a condition to the Community Foundation's accepting the gift.
- The Community Foundation will review the donor's most recent K-1 and the partnership's tax returns to determine the nature of the income associated with the limited partnership interest (e.g., unrelated business income, active versus passive business).
- All proposed transfer documents must conform to the Community Foundation's form or be approved by the Community Foundation's counsel.
- As a condition for the Community Foundation's acceptance of the gift, a written agreement between the donor and the Community Foundation should be in place that provides for the payment of administrative expenses and unrelated business taxes generated by the interest to the extent there is insufficient cash in the fund to which the interest has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Community Foundation against all

liabilities incurred by the donor on account of the limited partnership interest up to the date of the gift.

Limited Liability Company Interests

The same considerations given to gifts of limited partnership interests apply to gifts of interests in limited liability companies.

Tangible Personal Property

General. The Community Foundation accepts gifts of personal tangible property (artwork, coin collections, jewelry) only if: (i) the Community Foundation determines that the property will be used in furtherance of the Community Foundation's exempt purposes or (ii) the Community Foundation will be able to sell the property. If the property is to be sold, the Community Foundation will accept the gift only if it has sufficient value to justify the expenditure or resources required for such sale.

- The Community Foundation may accept gifts of personal tangible property in any amount to any existing fund.
- Gifts of tangible personal property to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement.

Appraisal. Each gift of personal tangible property for which the donor expects a charitable deduction exceeding \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining and paying for such appraisal.

Procedures for Accepting Personal Tangible Property. The following procedures apply to all proposed gifts of personal tangible property:

- The Community Foundation will review all prior appraisals and authentication documents, if any, relating to the property.
- If the property is to be sold, the Community Foundation will ascertain the market for such property and estimate the costs to be incurred in connection with the sale as well as the costs of holding the property prior to sale.
- All costs incurred by the Community Foundation in connection with the holding and sale of the property shall be charged against the sale proceeds, with the balance being credited to the fund to which the property has been contributed.

Life Insurance

General. The Community Foundation may accept gifts of life insurance policies so long as: (a) the policy is not encumbered (i.e., there is no outstanding loan against the policy); and (b) the Community Foundation is made the policy's owner and primary beneficiary.

- When premium payments can no longer be made because there is insufficient value in the policy to keep it in force, or because the Community Foundation chooses to discontinue premium payments, the policy will be surrendered.
- The Community Foundation may accept gifts of life insurance policy in any amount to any existing fund.
- Gifts of life insurance policy to establish a new component fund at the Community Foundation must meet the applicable minimum funding requirement.

Appraisal. Each gift of life insurance policy giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law.

Additional Considerations For Acceptance Of Illiquid Assets

In connection with the acceptance of many types of illiquid assets, the Community Foundation may incur costs such as unrelated business income tax, fees or commissions associated with the sale or liquidation of assets, asset management and holding costs, consultant fees or other expenses outside the normal scope of the Community Foundation's administrative costs.

Accordingly, as a condition of the Community Foundation's acceptance of the gift, the Community Foundation may require a pledge or other written agreement between the donor and the Community Foundation that provides for the payment of all or a portion of any such costs or expenses, including unrelated business income taxes, to the extent there is insufficient cash in the donor's fund to which the asset(s) have been donated to cover such costs.

Deferred Gifts & Planned Giving

These are gifts whose benefit does not fully accrue to the Community Foundation until some future time, or whose benefits are split with non-charitable beneficiaries. Community Foundation representatives are authorized to solicit direct charitable gifts through wills, as well as contributions to establish gift annuities or charitable trusts.

- The Community Foundation will work closely with donors and confer with financial advisors, at the request of the donors, to realize these gifts.
- In cases where the gifts are complex, the Executive Director may request review by the Board of Directors or their assigned committee.

Bequests

The Community Foundation accepts bequests from donors who have directed in their wills that certain assets be transferred to the Community Foundation and honors the wishes of the donor as expressed but reserves the right of refusal as necessary and appropriate.

- Sample bequest language for restricted and unrestricted gifts is available from the Community Foundation to donors and/or advisors, upon request.

- The Community Foundation may not be named as Executor for a donor in his/her will and will not serve if named.
- The Community Foundation may create a named fund in memory of the donor if there is no stipulation for anonymity.

Retirement Plans or IRA Accounts

- Donors may make lifetime gifts of retirement assets or name the Community Foundation as the beneficiary of their plan.
- Retirement plans include, but are not limited to, Individual Retirement Accounts (IRA), 401(k), 403(b), and defined contribution plans.

Life Income Gifts

The Community Foundation will work closely with donors to implement planned giving options that provide income to a donor or his/her designees, as well as financial benefit to the Community Foundation (split-interest gifts). Options include:

- **Charitable Remainder Trust (CRT).** This trust makes payments to one or more beneficiaries for their lifetimes, or for a fixed term, or a combination of both. Assets are put into a trust, beneficiaries are paid, and when the trust term ends, the remainder in the trust passes to the Community Foundation for its charitable purposes. The donor names a Trustee to manage the trust and determines whether the payout will be fixed (a charitable remainder annuity trust (CRAT)) or variable (a charitable remainder unitrust (CRUT)). Trusts can be set up during the donor's lifetime or by will. The Community Foundation encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust. At the donor's request, the Community Foundation will confer with his/her advisors to assist in establishing the trust from which it will ultimately benefit. The Community Foundation will not serve as Trustee of the trust.
- **Charitable Lead Trust (CLT).** This trust first makes distributions to the Community Foundation for a specified period, with the remainder reverting to the donor or another beneficiary at the end of the period. It may be set up during one's lifetime or in a will. The Community Foundation will work closely with the donor and/or their advisor to create the trust but will not serve as Trustee.
- **Charitable Gift Annuity (CGA).** This planned gift is based on a gift of cash or securities in exchange for lifetime income, either immediate or deferred to the donor. It is a contract between the donor and the Community Foundation and is backed by our total assets. The gift is in part a charitable gift and in part the purchase of an annuity.
- **Life Estate.** A donor may wish to contribute a personal residence or farm to the Community Foundation and retain the right to use the property until death. Upon the donor's death, the Community Foundation owns the entire interest in the property.

**Gift Acceptance Policy Attachment
Real Property Donation Checklist**

1. Exact legal name of donor and federal identification number.
2. Description of property (copy of deed).
3. Description of any buildings or other structures located on the land.
4. Boundary survey of property with location of all structures, easements, and encumbrances appearing on the face of the survey.
5. Information regarding existing zoning status.
6. Information on all ingress/egress for the property.
7. Description of prior use of the property.
8. Description of use of surrounding property, with specific disclosure of any storage tanks or potential environmental factors affecting the property.
9. Disclosure of any contemplated or anticipated condemnations, right-of-ways or other actions by municipalities that may affect the subject property.
10. Phase I environmental report on the property, including environmental report on any structures located on the real estate.
11. Evidence of title, such as title examination and report, title insurance commitment, or schedule describing any liens, encumbrances, or title matters affecting the property.
12. Copy of appraisal showing the fair market value of the property current within sixty days.
13. Disclosure of amount of existing real estate taxes, insurance premiums, and assessments attributable to the property.
14. Discussion with proposed donor regarding any special arrangements for donor's fund or other sources to address ongoing expenses for taxes, insurance, assessments, maintenance, grass cutting, security, utilities, and similar items.

**Gift Acceptance Policy Attachment
Real Property Donation Inquiry Form**

I. General Information

Owner(s)	Phone
Address	
Property Location	
Land area (acres or square feet)	
Building area (sq. ft. each floor)	
Zoning	
Replacement cost of building	
Current property insurance coverage	
Date of acquisition/form of acquisition	
Current cost basis (includes improvements)	
Principal balance of mortgage	Principal balance of additional liens
Current fair market value	
Assessed value for real estate taxes	
Real estate taxes	
Land value	Building value
Most recent appraisal (date)	Appraised value
Appraiser	
Occupancy status after transfer of title to charity	
Unimproved (no buildings)	
Unoccupied (building, but not occupied)	
Occupied (building with occupants)	

Please indicate by checking "yes" your awareness of any condition or problem which may affect the title or marketability of the property. Use Section VII to provide additional information.

II.	Title/Zoning	Yes	No
	A. Title	_____	_____
	B. Zoning variances, violations or special permits	_____	_____
	C. Zoning violations	_____	_____
	D. Restrictions or easements	_____	_____
	E. Survey available	_____	_____
III.	Condition of Building	Yes	No
	A. Foundations/slab	_____	_____
	B. Basement water/dampness/sump pump	_____	_____
	C. Roof leaks	_____	_____
	D. General structural	_____	_____
	E. UFFI (formaldehyde insulation)	_____	_____
	F. Asbestos	_____	_____
	G. Lead paints	_____	_____
	H. Termites/ants/pests	_____	_____
	I. Swimming pool	_____	_____
	J. Radon	_____	_____
	K. Building systems	_____	_____

- | | | |
|---------------------|-------|-------|
| 1. Plumbing | _____ | _____ |
| 2. Electrical | _____ | _____ |
| 3. Heating | _____ | _____ |
| 4. Air conditioning | _____ | _____ |
| 5. Hot water | _____ | _____ |
| 6. Water supply | _____ | _____ |
| 7. Sewage; type | _____ | _____ |
| 8. Other fixtures | _____ | _____ |

- | | | |
|---|------------|-----------|
| IV. Rental/Condominium/Cooperative | Yes | No |
| A. Building systems | _____ | _____ |
| 1. Leases | _____ | _____ |
| 2. Rental arrears | _____ | _____ |
| 3. Last month's rent/security deposit | _____ | _____ |
| B. Common area fees in arrears | _____ | _____ |
| C. Building or sanitary code violations | _____ | _____ |
| D. Operating/capital budget | _____ | _____ |

- | | | |
|--|------------|-----------|
| V. Environmental | Yes | No |
| A. History of property | | |
| 1. Property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or any other non-residential purposes | _____ | _____ |

- B. Condition of property
 - 1. Stressed or denuded vegetation or unusual barren areas _____
 - 2. Discoloration, oil sheens, or foul/unusual odors in water _____
 - 3. Storage drums _____
 - 4. Above or underground storage tanks; vent or filler pipes _____
 - 5. Evidence of oil or other chemicals in soil _____
 - 6. Evidence of PCBs _____
 - 7. Evidence of toxic air emissions _____
- C. Adjacent properties
 - 1. Properties adjacent or close to subject have conditions requiring "yes" answer to any questions in (A) and (B) above _____
- D. Flood plain/wetlands/drainage _____
- E. Endangered plants or wildlife _____

Are you aware of any other information concerning any part of the land or buildings which might affect the decision of a buyer or affect value of property or affect use by buyer? _____

VI. Property Expense Budget

To hold this property as a Foundation asset, the following income and expenses are anticipated:

- A. Income **Annual**

- | | |
|----------|---------|
| 1. Rent | \$_____ |
| 2. Other | \$_____ |

B. Expenses	Annual
-------------	---------------

1. Real estate taxes:

First payment due \$_____ (date) _____

Second payment due \$_____ (date) _____

2. Utilities:

Gas \$_____

Oil \$_____

Electric \$_____

Water/sewer \$_____

Other \$_____

3. Services:

Caretaker/property manager \$_____

Landscaping \$_____

Heating/cooling service contract \$_____

Snow removal \$_____

Pool services \$_____

Common area charge (condominium) \$_____

Security \$_____

Other \$_____

4. Maintenance/Repairs \$_____

5. Insurance \$_____

Total Expenses \$_____

Net Income (Loss) \$_____

VII. Additional Information

VIII. Acknowledgments

Owner(s) hereby acknowledge that the information set forth above is true and accurate to the best of my (our) knowledge

Owner Date _____

Owner Date _____

Sample Bequest Language

The following language may be included in your will to fulfill your charitable wishes through a planned gift of your estate:

“I give, devise, and bequeath _____ (describe dollar amount, property to be given, or proportion of residuary estate) to the Community Foundation of Greater Muscatine, a nonprofit corporation located in Muscatine, Iowa 52761, tax identification number 42-1495980, to benefit the Cares and Shares Endowment Fund, a component fund of the Community Foundation of Greater Muscatine.”

Alternatively, you may establish an endowment fund for a specific purpose to be funded through your estate:

“I give, devise, and bequeath _____ (describe dollar amount, property to be given, or proportion of your residuary estate) to the Community Foundation of Greater Muscatine, a nonprofit corporation located in Muscatine, Iowa 52761, tax identification number 42-1495980, to benefit the _____ Fund, a component fund of the Community Foundation of Greater Muscatine.”

Provisions for our Affiliate, the Community Foundation of Louisa County:

“I give, devise, and bequeath _____ (describe dollar amount, property to be given, or proportion of residuary estate) to the Community Foundation of Louisa County, an affiliate of the Community Foundation of Greater Muscatine, a nonprofit corporation located in Muscatine, Iowa 52761, tax identification number 42-1495980, to benefit the Community Foundation of Louisa County Partners in Philanthropy Fund, a component fund of the Community Foundation of Greater Muscatine.”

Please contact the Community Foundation of Greater Muscatine when you choose to name the Community Foundation as a beneficiary of a planned gift so that we can ensure your charitable intentions are fulfilled.

The appropriate wording for making a gift depends on the type of gift, state law and the donor's unique circumstances. The Community Foundation of Greater Muscatine encourages all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, and the resulting tax and estate planning consequences.