Harrison County Community Foundation
Gift Acceptance Policy
Table of Contents
April 5, 2021

Harrison County Community Foundation
Gift Acceptance Policy

GENERAL INFORMATION

OVERVIEW

The Harrison County Community Foundation, a not-for-profit, organized under the laws of the State of Indiana, encourages the solicitation and acceptance of gifts to the Harrison County Community Foundation (hereinafter referred to as the "Foundation") for purposes that will help the Foundation further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation or for the benefit of any of its programs.

MISSION, VISION & VALUES STATEMENT

Our mission is to inspire and assist everyone to experience philanthropy, producing positive and sustainable growth in Harrison County.

Our vision is to grow Harrison County into the best community to live, work and raise a family.

We value generosity, integrity, sustainability, stewardship, innovation, collaboration, inclusion, and excellence.

PURPOSE OF POLICIES & GUIDELINES

The Foundation Board of Directors and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the Foundation. It is the purpose of these policies and guidelines to govern the acceptance of gifts by the Foundation and to provide guidance to prospective donors and their advisors when making gifts to the Foundation. The provisions of these policies shall apply to all gifts received by the Foundation for any of its programs or services.

SCOPE & CONFIDENTIALITY

The policy pertains to all fund-raising activities offered by the Foundation and to all gifts made, current and future. A donor may request that his/her gift remain anonymous or that his/her gift not be publicly recognized.

CONFLICT OF INTEREST

All prospective major 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. It is the practice of the Foundation to inform, serve, guide, or otherwise assist donors who wish to support the Foundation's activities.

CHANGES TO GIFT ACCEPTANCE POLICY

The Foundation Board of Directors must review and approve any changes to, or deviations from, these policies.

RESTRICTIONS OF GIFTS

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation.

ADMINISTRATIVE FEES

An Administrative fee for funds may be assessed according to the Foundation schedule as follows:

1. Permanent Endowment Funds that provide a benefit to Harrison County residents are not currently assessed administrative fees.
2. Permanent Endowment Funds that provide benefit for a qualified non-profit but does not provide a substantial benefit to Harrison County residents, within the sole discretion of the Board of Directors, will be assessed an annual administrative fee of 1%.
3. Special conditions may apply to any labor-intensive funds. Higher percentages may be charged or flat fees for services may be assessed.

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:

1. Review of closely held stock transfers that are subject to restrictions or buy-sell agreements,

2. Review of documents naming the Foundation as Trustee,

3. Review of all gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation;

4. Review of all transactions with potential conflict of interest that may involve IRS sanctions, or

5. Such other instances in which use of counsel is deemed appropriate by the Foundation Board of Directors.

ESTATE ADMINISTRATION

To ensure the wishes of an estate donor are followed by obtaining the best price through the most efficient process for the sale of assets, the Harrison County Community Foundation will not agree to allow the unsupervised administration of an estate as its normal and customary practice.

CHARITABLE REGISTRATION

The Harrison County Community Foundation does not consider a donation button on our website sufficient reason to register with other states.

The Harrison County Community Foundation does not consider materials we share with whom we have an existing relationship sufficient reason to register with other states.

The HCCF Board of Directors authorizes the President/Chief Executive Officer (CEO) to register HCCF with any state if needed in order to comply with regulation based on current fund raising activities including gift annuity registration compliance.

TYPES OF GIFTS

TYPES OF CURRENT GIFTS

1. The following assets are acceptable:

   A. Cash
   B. Checks
   C. Publicly Traded Securities
   D. Grain, Livestock and other Agricultural Products

2. The following criteria govern the acceptance of each asset class:

A. Cash: shall be delivered to the CEO or the Chief Finance Officer (CFO) of the Foundation.

B. Checks: shall be made payable to Harrison County Community Foundation and shall be delivered to the CEO or CFO of the Foundation.

C. Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Foundation Finance Committee.

3. The following assets ***may*** be considered but must be approved by the Board of Directors:

A. Tangible Personal Property: All gifts of tangible personal property shall be examined in light of the following criteria:

1) Does the property fulfill the mission of the Foundation?
2) Is the property marketable?
3) Are there any undue restrictions on the use, display, or sale of the property?
4) Are there any carrying costs for the property?

B. Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Foundation Finance Committee. However, gifts must be reviewed prior to acceptance to determine that:

1) There are no restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash.
2) The security is marketable, and
3) The security will not generate any undesirable tax consequences for the Foundation.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Foundation Finance Committee and legal counsel where necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

The Foundation adheres to IRS regulations covering excess business holdings when considering gifts into Endowed Donor Advised Funds and these gifts are subject to the Foundation's Investment Guidelines as of the gift date

C. Excess Business Holding Rules for Assets Held in Donor Advised Funds: Under the Pension Protection Act of 2006 (PPA), the private foundation excess business holdings rule applies to donor-advised funds as if they were private foundations. That is, the holdings of a donor-advised fund in a business enterprise, together with the holdings of persons who are disqualified persons with respect to that fund, may not exceed any of the following:

1) 20 percent of the voting stock of an incorporated business.

2) 20 percent of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity.

3) Any interest in a sole proprietorship.

4) 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.

D. Real Estate: 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 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 environmental audit shall generally be an expense of the donor.

Where appropriate, a title search shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this service shall generally be an expense of the donor. Criteria for acceptance of the property shall be discussed in advance with the donor and will include the following:

1) Is the property useful for the purposes of the Foundation?
2) Is the property marketable?
3) Are there any restrictions, reservations, easements, or other limitations associated with the property?
4) Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
5) Does the environmental audit reflect that the property is not damaged?

E. Remainder Interests in Property: The Foundation may accept a remainder interest in a personal residence, farm, or vacation home subject to the provisions of paragraph 3, above. The donor may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor.

F. Oil, Gas, and Mineral Interests: The Foundation may accept oil and gas property interests, where appropriate. Criteria for acceptance of the property shall include:

1) Gifts of surface rights should have a value of $20,000 or greater.

2) Gifts of oil, gas or mineral interests shall generate at least $500 per year in royalties or other income (as determined by the average of the three years prior to the gift).

3) The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.

4) The property should undergo an environmental review to ensure that the Foundation has no potential exposure to environmental liability.

G. Bargain Sales: The Foundation may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Foundation. Factors used in determining the appropriateness of the transaction include:

1) The Foundation must obtain an independent appraisal substantiating the value of the property.

2) If the Foundation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.

3) The Foundation must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.

4) The Foundation must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

H. Life Insurance: The Foundation may accept gifts as a result of being named a beneficiary of a life insurance policy. The value of the gift may be recorded at the time the gift becomes irrevocable.

The Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Foundation may:

1) Continue to pay the premiums.

2) Convert the policy to paid insurance, or

3) Surrender the policy for its current cash value

I. Retirement Plan Beneficiary Designations: Donors and supporters of the Foundation shall be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

TYPES OF PLANNED GIFTS

1. Charitable Gift Annuities: The Foundation may offer charitable gift annuities. The minimum gift for funding shall be $25,000. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

   Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The Foundation Finance Committee may approve exceptions to this payment schedule.

   The Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Foundation may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Foundation Finance Committee approves the arrangement.

   Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated a minimum of 10% of the remaining principal will the transferred to the Foundation's general fund with the balance going to a specific fund or funds as designated by the donor, or if not specified, to the Foundation's general fund.

   The annual financial disclosure form, which will be updated annually to reflect current investment policies, will be provided to all prospects and donors.

2. Charitable Remainder Trusts: The Foundation may accept designation as remainder beneficiary of a Charitable Remainder Trust.

   The Foundation may act as Trustee of a Charitable Remainder Trust with the approval of the Foundation Finance Committee and a minimum trust funding of $100,000. The minimum age for life income beneficiaries of a trust shall be 55. Where a deferred trust payment is offered, the minimum age for life income beneficiaries shall be 45.

   The Foundation may accept real estate, tangible personal property, or other illiquid assets to establish a Charitable Remainder Trust so long as there is at least a 5 year period and the sale of the non-liquid property, whichever event occurs later, before the commencement of the trust payment date. The value of the property must be reasonably certain and the Foundation Finance Committee must approve the arrangement.

   Trust payments may be made on a quarterly, semi-annual, or annual schedule. The Foundation Finance Committee may approve exceptions to this payment schedule.

   Funds shall be set aside and invested during the term of the trust payment. Once those payments have terminated a minimum of 10% of the remaining principal will be transferred to the Foundation's general fund with the balance going to a specific fund or funds as designated by the donor, or if not specified, to the Foundation's general fund.

3. Charitable Lead Trusts: The Foundation may accept a designation as income beneficiary of a Charitable Lead Trust.

   The Foundation may act as Trustee of a Charitable Lead Trust with the approval of the Foundation Finance Committee and a minimum trust funding of $100,000. A Charitable Lead Trust must be established using cash, securities or other easily liquidated assets.

   Trust payments may be made on a quarterly, semi-annual, or annual schedule. The Foundation Finance Committee may approve exceptions to this payment schedule.

   Funds shall be set aside and invested during the term of the trust payment. Once those payments have terminated a minimum of 10% of the remaining principal will be transferred to the Foundation's general fund with the balance going either to specific named heirs or back to the donor as originally designated by the donor.

4. Bequests: Current Donors and other supporters of the Foundation are encouraged to make gifts to the Foundation under their wills and trusts. Such bequests will be recorded as gifts to the Foundation when the gift becomes irrevocable.

5. Matched Gifts: Planned Gifts may qualify for any current gift matching programs offered by the Foundation at the time the gift is recorded.

6. Gift Recording: Planned Gifts will be recorded as gifts to the Foundation when they become irrevocable, usually at the death of the Donor.

7. Administrative Fees and Costs: Planned Gifts will be assessed fees in accordance with the current fee schedule approved by the Board of Directors. The Foundation may engage one or more 3rd parties to provide trust administration, custodial, and/or investment services. Regularly occurring costs will be assessed to the fund.

The Harrison County Community Foundation is a tax exempt 501(c) organization (EIN # 35-1986569) and does not provide tax, legal, or financial advice. Any document or information shared by HCCF staff is intended to be educational. HCCF strongly encourages donors to seek counsel from their own legal, tax and financial advisors.

MATCHING CONTRIBUTIONS

The Foundation desires to inspire and assist everyone in Harrison County to experience philanthropy each day through the sharing of their resources; living a legacy today and leaving a legacy for tomorrow. As resources permit, the Foundation may offer matching incentives to contributions into existing endowments or to create new endowments that provide a viable service to Harrison County residents. The Board of Directors reserves the right to annually review and vary the terms of any match program.

AGENCY ENDOWMENT MATCH PROGRAM

Since 2001, the Harrison County Community Foundation (HCCF) has been offering various donation matching programs to help organizations build their endowments. The purpose is to help Harrison County-serving organizations become more self-sustaining and to provide an additional tool to expand their donor-base of support.

To support these goals, the following will apply to contributions to Agency Endowment Funds:

1. Contributions ***from*** the beneficiary organization will only be matched on amounts that ***exceed*** the total withdrawal by the organization from the fund during the previous twelve months. This rule does not impact donations from other contributors.

2. A maximum of $50,000 is eligible for the match from a single household or donor source in a calendar year.

3. A maximum of $100,000 in match will be provided to an Agency Endowment Fund during a calendar year.

4. **The beneficiary organization** must agree to comply with the terms of the HCCF Donor-Initiated Fundraising Policy. Failure to do so may result in disqualification from the 1:1 match offer.

GIFT PROCESSING

The Harrison County Community Foundation will acknowledge in-writing all gifts received. The following practices for custody, handling and acknowledgement will be followed based on the type of gift received.

1. Gifts of Cash: Cash gifts may be accepted by any staff member who must immediately count the cash in the presence of the donor and generate a Cash Gift Receipt Letter. The letter must be signed by the donor and the staff member and a copy of the letter provided to each. The cash will be delivered to the CFO as soon as possible.

2. Gifts of Check: Checks received by mail or in person will be delivered to the CFO soon as possible who will then record the gift in the finance program. The CFO will generate and mail a Gift Receipt Letter within five business days of receiving the gift.

3. Custody and Deposit of Cash and Checks: Gifts of cash will typically be deposited within 24 hours of receipt. Gifts of checks will typically be deposited within five working days of receipt. To deposit cash or checks, the CFO will generate a deposit slip and deliver it to the President/CEO. During the same business day, the CFO will deliver, or cause the deposit to be delivered, to First Harrison Bank. The receipt provided by the bank will then be returned to the CFO and verified that the deposit amount is accurate. Any errors or discrepancies must be reported to the President/CEO immediately.

4. Gifts of Stock: Gifts of stock will typically be handled over the telephone and via wire transfer. Donors (or donor’s agents) contacting the Foundation to make a stock gift

transfer will be instructed to route the stock to Edward Jones Investments, 241 Wyandotte Avenue, Corydon, Indiana 47112, through the appropriate DTC and Account numbers. The CFO will be notified of the intended transfer who will then notify a representative of Edward Jones Investments to anticipate the transfer.

The Edward Jones Investment representative will be asked to notify the CFO when the stock transfer arrives. The CFO will then generate a Non-cash Gift Acknowledgement Letter within two business days.

Within two weeks, Edward Jones Investments will cause the sale of the donated stock and provide the Foundation with a check for the proceeds from the sale. Within two business days of receiving the check, the CFO will send a Gift Receipt Letter to the donor.

5. Tax Reporting: Documentation to be used for income tax reporting will be provided to the donor by January 31st of each year.

6. Grain, Livestock and other Agricultural Products: These procedures must be followed in order to facilitate gifts.

   A. Donor notifies HCCF in writing of their intent to donate grain, livestock or other agricultural product. The gift should be from unsold inventory with no sale commitment made prior to the gift. Special Note: The donor must notify HCCF of their intent to donate timber before signing an agreement with a timber harvester.
   B. HCCF will establish an account with the purchasing facility and notify the donor that the account is open.
   C. Donor delivers the grain, livestock or agricultural product to the purchasing facility.
   D. Donor signs a form with the purchasing facility releasing ownership to HCCF.
   E. The purchasing facility will notify HCCF when ownership has been transferred.
   F. HCCF will sell the grain, livestock or agricultural product immediately. Request for placing bids or holding the grain, livestock or agricultural product will not be accepted. The donor cannot control where or when the grain, livestock or agricultural product are sold.
   G. The purchasing facility will name the HCCF sales invoice as the seller of the grain, livestock or agricultural product.
   H. Net proceeds from the sale will be sent to HCCF from the purchasing facility and the proceeds will be used in accordance to the donor's wishes.
   I. HCCF will provide the donor with a donation receipt.

DONOR RECOMMENDED INVESTMENT MANAGER POLICY

In certain situations, the Harrison County Community Foundation ("HCCF" or "Foundation") may wish to consider engaging an investment advisor outside the current set of investment managers. A typical scenario is when a prospective donor has a long standing and trusted relationship with a financial advisor or financial advisory firm currently holding the assets intended for donation to the HCCF. The HCCF Finance Committee will utilize the following criteria to inform their decision as to whether or not to incorporate a Recommended Investment Manager into the Foundation's mix of approved investment advisors/investment options.

When a donor or fund representative recommends an investment manager be considered for engagement by the Foundation, Foundation staff will collect the background information and any additional materials needed to prepare a recommendation to the Finance Committee. The Recommended Manager and/or representatives of the manager's firm may be asked to make a presentation at the committee meeting in addition to providing the requested background material.

1. Fund Size: Donor is making an endowed gift of at least $25,000 to the Foundation for the purposes of establishing a new fund or to benefit an existing HCCF endowment fund.

2. Established Firm: The Recommended Manager must be a firm or a person affiliated with a firm with sufficient capitalization, insurance, assets under management, management oversight, and experience to demonstrate his or her/its capability to serve as an investment advisor. The Finance Committee will review the following documents provided by prospective advisors:

    A. History, structure and management of the firm;
    B. Primary ownership;
    C. Past judgments or current litigation against the firm or employees, and/or other regulatory actions;
    D. Most recent audited financial statements.

3. Private Benefit to the Donor: All relationships (personal and professional) between the donor and the donor's extended family, with the Recommended Manager and/or the manager's firm must be disclosed for evaluation regarding compliance with federal tax law rules addressing private inurement and private benefit and/or any other applicable federal or state law.

4. Asset Allocation and Portfolio Management: The Recommended Manager and/or the manager's firm must have experience overseeing the investment of assets in various asset classes and across various investment styles. The Manager and/or the Manager's firm must support the Foundation's commitment to comply with The Uniform Prudent Management of Institutional Fund Act (UPMIFA) as applicable and/or any other applicable federal or state law. The Foundation will provide the Recommended Manager the Foundation's investment policy statement as guidance. The firm, in general, shall provide the following information regarding proposed investment approaches:

    A. Description of investment philosophy and strategies;
    B. Description of investment styles used;
    C. Investment performance statistics over 1, 3, 5 and 10 year time horizons as available;
    D. Identification of who makes investment decisions;
    E. Primary sources of investment research information.

The account will be expected to meet or exceed the performance of the Foundation's overall pooled portfolio over a full market cycle as defined in the Foundation's investment policy statement.

5. Reporting: The Recommended Manager and/or the Manager's firm must agree to provide HCCF, at least monthly, account statements in such form and containing such information as the Foundation deems necessary. The manager and/or the manager's firm must also agree to provide account information to any outside consultant engaged by the Foundation to monitor investment performance, including verification of all securities held.

6. Investment Fees: All advisory and/or investment management fees must be clearly disclosed and the Recommended Manager and/or the Manager's firm must offer fair market, competitive pricing with the application of any discounts the advisor and/or the advisor's firm would offer any client with a similar size account and relationship. Manager must also disclose all fee sharing arrangements.

7. Revocation or Termination: The donor and the Recommended Manager acknowledge that the Board of Directors of the Foundation may, at any time, revoke the privilege of the donor recommendation. The Donor acknowledges that I.R.S. regulations require that the Foundation Board retain the sole discretion to terminate the Foundation's relationship with the Recommended Manager, and to transfer the funds held by the Recommended Manager to other investment managers under any facts or circumstances that the Board in good faith believes warrant such termination and transfer. Such facts and circumstances will include but not be limited to a determination made in the sole discretion of the Board that the Recommended Manager has failed to meet the benchmark requirements set forth herein, including any amendments that may be made from time to time; has failed to perform comparably to other managers; has charged fees that are incommensurate with services provided; has failed to adhere to the HCCF's investment instructions, advice or guidance; or has otherwise failed to perform as requested by the Foundation.

8. Distribution: An annual distribution will be made to the Foundation equal to five (5) percent of the ending market value as of December 31. This distribution may be from dividends, principle, or a combination of both.

9. HCCF Matching Program: Should the HCCF have a matching gift program in place at the time of any contribution through a Recommended Investment Manager, the contribution will qualify for the matching amount however the match will be held by HCCF and comingled with the general endowment assets of the Foundation and invested as directed by the Foundation's board.

10. Admin Fees: Admin fees will be paid to the Foundation in accordance with the HCCF Fee Schedule based on the ending market value as of December 31.

Adopted February 4, 2008
Amended May 5, 2008
Amended January 3, 2011

Amended December 3, 2012
Amended March 4, 2013
Amended June 3, 2013
Amended August 5, 2013
Amended January 6, 2014
Amended February 3, 2014
Amended October 6, 2014
Amended October 5, 2015
Amended January 19, 2016
Amended February 1, 2016
June 6, 2016 Separate Endowment Fund Policy Created
Amended April 5, 2021