



MASSACHUSETTS 4-H FOUNDATION GIFT ACCEPTANCE POLICIES

1. Purpose of Gift Policies

The Board of Trustees of the Massachusetts 4-H Foundation (hereinafter referred to as “the Foundation”) and its staff solicit current and deferred (planned) gifts from individuals, corporations, and foundations to advance our mission. These policies govern the acceptance of all gifts to the Foundation and provide guidance to our donors and their advisors when considering a gift.

Organization mission and purpose

The Massachusetts 4-H Foundation is an independent non-profit 501(c)3 organization committed to the enrichment and advancement of 4-H youth development programs throughout the Commonwealth. Established in 1955, the Foundation generates and provides resources to help expand the 4-H program in Massachusetts.

Legal name of the organization

For giving purposes and in any legal document, the Foundation should be preferred to by its full, legal name, “Massachusetts 4-H Foundation, Inc.”

2. Use of Legal Counsel

The Massachusetts 4-H Foundation will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Such instances may include, but are not limited to:

- Any gift involving a contract, such as a bargain sale, or other documents requiring the Foundation to assume an obligation;
- Any gifts of closely-held stock;
- Any gift that may represent a potential conflict of interest according to IRS rules; and
- Any other gift for which the guidance of legal counsel is deemed appropriate by the Gift Acceptance Committee (GAC).

3. Financial and Legal Advice, Appraisals and Fees

The Massachusetts 4-H Foundation strongly encourages donors to consult their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Foundation will not provide legal or financial advice to any donor, nor will the Foundation pay for a donor’s appraisal of a gifted asset or legal fees associated with a gift. The donor is responsible for obtaining their own IRS qualified appraisal for their tax purposes.

4. Gift Restrictions

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that the proposed gift restriction is not in conflict with the Foundation’s mission and priorities. The

Foundation may decline a gift if the Gift Acceptance Committee determines that the proposed terms are inappropriate for the Foundation's needs.

All restricted gifts, excluding those directed to an established fund of the Foundation, must be documented by a written agreement that includes a complete description of the gift and all restrictions. This agreement must be signed by both the donor and the Foundation prior to gift acceptance.

It is strongly preferred that restricted gift agreements contain the following provision: "If in the judgment of the Trustees it becomes impossible or impracticable to carry out exactly the designated purpose, they shall determine an alternative purpose in keeping with the original intentions of the donor and the current needs of the Foundation."

5. Gift Acceptance Committee

The purpose of the GAC is to ensure that all gifts, particularly those of an unusual or complex nature, receive careful consideration and are only accepted if they are determined to be in the best interest of the Foundation and the donor. The GAC will meet on an as-needed basis to review gifts on behalf of the Foundation and decide whether a gift may be accepted. Gifts of a routine nature, such as unrestricted gifts to the Annual Fund, do not require the review of the GAC. Foundation staff may ask for GAC review of a gift, and the GAC may consult other Board members and/or outside counsel to evaluate a gift.

The GAC will include:

- the Chairman of the Board
- all members of the Executive Committee of the Board
- other Board members as appointed by the Chairman of the Board; and
- the Executive Director of the Foundation

6. Commonly Accepted Gifts

The Massachusetts 4-H Foundation will accept the following types of gifts and gift assets, subject to the approval of the GAC:

- Cash
- Securities
- Tangible personal property
- Life insurance (gift of policy and/or death benefits)
- Charitable trusts (beneficiary designation only)
- Beneficiary designation from retirement plans or financial accounts
- Bequests
- Real estate and other gifts of real property

7. Gifts to establish new endowed funds

In general, the creation of a new endowed fund requires a gift of at least \$5,000. The GAC may consider gifts at lower levels in special circumstances. Such funds established by donors will be comingled with the Foundation's Endowment Trust for investment and administrative purposes. Please see the Foundation's Endowment Policy for spending policies and investment strategy.

8. Valuation and date of gift

The Foundation will record a gift received at its valuation on the date of the gift, determined as follows, per IRS regulation:

- For gifts of cash, this is the date of the check or postmark, whichever is later.
- For gifts of electronically held securities, the date of gift is the date the asset is transferred on the books of the corporation.
- For gifts of stock certificates, if a properly endorsed stock certificate with completed stock power form is hand delivered to the Foundation or to an agent of the Foundation, the date of the contribution is the date of delivery. If the certificate is mailed, it is the date of mailing of the stock power form or the stock certificates, whichever is later.
- For gifts of property, the date of gift is the date on which the Foundation becomes legal owner of the property.

9. IRS regulations and filings

The Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset. This responsibility is designated to the Business Manager.

10. Guidelines for Specific Asset Types

Securities

As a general rule, all marketable securities will be sold upon receipt unless otherwise directed by the 4-H Endowment Trust Committee. If the sale of marketable securities may be restricted by applicable securities laws, the GAC will review the gift prior to acceptance. The GAC may seek further review and recommendation by an outside professional may be sought before making a final decision. Every effort will be made to sell non-marketable securities as quickly as possible.

Potential gifts of closely-held securities will be reviewed by the GAC prior to acceptance to determine that:

- there are no restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash,
- the security is marketable, and
- the security will not generate any undesirable tax consequences for the Foundation.

Tangible Personal Property

The following issues will be taken into consideration when evaluating a possible gift of Tangible Personal Property:

- Does the property further the mission of the Foundation?
- Is the property marketable?
- Are there restrictions on the use, display, or sale of the property?
- Are there any carrying costs associated with the property, such as storage or insurance?

Life Insurance: beneficiary designations

Donors may name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations will not be recorded as gifts until the death benefit is received, but gifts will be recognized in the same manner as bequest intentions and other revocable estate gifts.

Life Insurance: gift of policy

The Foundation may be named as sole beneficiary and irrevocable owner of an insurance policy, in which case the policy can be recorded as a gift. The gift is valued at its cash surrender value on the date of gift. 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:

- continue to pay the premiums;
- convert the policy to paid up insurance; or
- surrender the policy for its current cash value.

Charitable Remainder Trusts and Charitable Lead Trusts

Donors may make the Foundation a remainder beneficiary of a charitable remainder trust or charitable lead trust. At this time The Foundation does not administer trusts, and will not accept appointment as Trustee of a charitable trust. Restrictions on a gift made through a trust are subject to the same policies as outright gifts; the GAC may decline to accept a gift if the restrictions are deemed inappropriate for the Foundation. Every effort will be made to work with donors to create gift terms agreeable to both the donor and the Foundation.

Beneficiary designations from a retirement plan or other financial account

Donors may name the Foundation as a beneficiary of a retirement plan, or brokerage, CD, checking or savings account. Such designations will not be recorded as gifts to the Foundation until the gift has been received. For recognition purposes, these gifts by beneficiary designation will be treated in the same manner as revocable bequests.

Bequests

Donors and supporters of The Massachusetts 4-H Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Bequest intentions will not be recorded as gifts to the Foundation until the gift is received. The GAC may decline to accept a gift if the restrictions are deemed inappropriate for the Foundation. Likewise, the GAC will review any tangible or real property assets included in an estate gift using the same criteria for outright gifts of these asset types, and may decline the gift if the gift is not in the best interests of the Foundation.

Real Estate:

Gifts of real estate may include developed property, undeveloped property, or remainder interests (retained life estates). Prior to acceptance of real estate, the Foundation will require an initial environmental review of the property to ensure that the property has no environmental damage and may conduct a full environmental audit as part of the review process. For outright gifts from a living

donor, the cost of such an audit must be assumed by the donor. If an estate gift includes a gift of real property, the Foundation may commission an audit and/or appraisal at its own expense, before accepting title to the property.

Prior to acceptance of the real property, the gift must be approved by the GAC and the Foundation's legal counsel. Criteria for acceptance of

the property will include:

- 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 environmental audit reflect any environmental damage?

11. Gift assets or gift arrangements not covered by these policies

The GAC may review, and accept or decline any potential gift that falls outside these policies, and will use these policies as a guide to determine if the gift is in the best interests of the Foundation and the donors.

12. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Board of Trustees of the Massachusetts 4-H Foundation. The Board must approve any changes to or deviations from these policies.

Approved on the _____ day of _____, 2015.

President, Board of Trustees, Massachusetts 4-H Foundation, Inc.