



Gift and Fund Acceptance Policy

Approved by Board of Directors May 24, 2006

This policy concerns the administrative procedures to be followed by staff in managing various types of gifts that may be revised and ratified by the Foundation Board of Directors from time to time to comply with good business practices. All changes to this policy will require approval from the Foundation Board.

The asset development program of The Northern Cincinnati Foundation (NCF) encompasses the solicitation and acceptance of gifts which may be current, planned, or testamentary. The NCF will comply with all federal, state, and local laws in the conduct of development activities, including acceptance of gifts. The Foundation endorses and subscribes to A Donor Bill of Rights. *Appendix A.*

Authorization

It is the policy of NCF Board of Directors to encourage donors to make outright, planned and testamentary gifts. Planned and testamentary gifts include bequests, charitable gift annuities, charitable remainder trusts, charitable lead trusts, retained life estates, gifts of life insurance or retirement assets, interest in business entities such as partnerships, limited liability companies, or closely-held corporations or other gift arrangements as the Board may from time to time approve. It is the Board's directive that staff shall aggressively seek such gifts, and that adequate staff and resources for a fully effective program are maintained. All programs, solicitation plans, and activities shall be subject to oversight by the Board.

Purpose of Gifts

The purposes of all gifts to the Foundation must relate to the mission of the Foundation. The purpose of the gift and the procedures for administration shall, whenever possible, be defined in a letter or agreement signed by the donor. Because the Foundation was created to benefit the residents of Northern Cincinnati, we encourage our donors to make grants to benefit the Northern Cincinnati area.

Gift Acceptance Committee

This committee is made up of the Executive Committee of the Board of Directors, which consists of the Board Chair, Board Vice-Chair, Treasurer, Secretary, Governance Committee Chair, President and three additional board members. Other professional experts may be called upon to assess the gift as needed. The Committee will: 1) determine whether the specific gift contributes to the mission of the Foundation 2) outline steps to be taken in the acceptance/rejection process 3) advise staff how to protect the Foundation from any possible repercussions 4) recommend to the Foundation Board of Directors whether or not to accept the gift.

Business Practices

It is the business practice of the Foundation to inform, serve, guide or otherwise assist donors who wish to support the Foundation's activities, but never under any circumstance to pressure or unduly persuade.

It is the Foundation's intention to properly acknowledge all completed gifts within 2 weeks of receipt. The Foundation will provide a disclosure to every donor before a fund agreement is executed.

All information concerning donors and prospective donors shall be held in strict confidence by the Foundation, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests or information concerning a donor or prospective donor will be honored or allowed only if written permission is obtained from the donor prior to the release of such information.

Persons acting on behalf of the Foundation shall encourage the donor that it is the donor's responsibility to obtain any necessary appraisals, file appropriate personal tax returns, and defend against any challenges to claims for tax benefits.

The President of the Foundation and consultants retained by the Foundation for this purpose are authorized to negotiate planned gift agreements with prospective donors, following guidelines approved by the Board of Directors.

All planned giving agreements requiring execution by the Foundation shall first be reviewed and approved as to form by the Foundation's legal counsel. However, each agreement need not be reviewed provided it is based on a prototype agreement that has been reviewed and approved by the Board.

The Foundation will accept charitable gift annuities but only under conditions described below. The Foundation may employ agents and advisors to facilitate the investment of annuity assets. The Foundation may serve as a trustee of irrevocable charitable remainder trusts and charitable lead trusts or as co-trustee with a trust institution, when it is irrevocably named as the sole beneficiary. However, it may serve in select circumstances when it is not the sole beneficiary if, in the judgment of the Acceptance Committee, the interests of the Foundation will be best served. The Foundation may employ one or more financial managers for the administration and investment of trust assets. Expenses related to investments and administrative services shall be charge to the respective trusts.

The Foundation will not serve as trustee or co-trustee of any revocable trusts or other trusts that are not qualified charitable remainder trusts or charitable lead trusts.

Procedures for Review of Gifts

In reviewing gifts to the Foundation, the Acceptance Committee and/or 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 Foundation.
- Projected costs of managing the gift asset.
- Fee revenues to the Foundation for administering the gift.

Acceptance by staff of gifts consistent with the purposes, bylaws and procedures of the Foundation shall not require review by the acceptance committee if the gifts are in any of the following forms:

- Cash
- Check
- Marketable security
- Gifts of usable furniture and equipment for the offices or programs of the Foundation
- Gifts of precious metals, where the value is easily established
- Charitable remainder trusts, charitable lead trusts, or charitable gift annuities, if funded with cash or publicly traded securities

Gifts requiring review and approval of the acceptance committee include the following:

- 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)
- Interest in business entities (i.e. closely-held corporations, partnership and limited liability company interests)
- Charitable remainder trusts, charitable lead trusts, or charitable gift annuities, if funded with assets other than cash or publicly traded securities
- Remainder interests in a residence or farm
- Rights in copyrighted materials, patents, and royalties
- Tangible personal property
- Other property that may be unusual or fall outside the type of gifts usually handled by the Foundation, including tangible property unrelated to the Foundation's charitable purpose.

Gifts requiring committee review will be handled promptly. Foundation staff will deliver to the committee all information necessary to make a decision. If a gift is not accepted, the donor will be notified in writing by staff immediately. All gift reviews will be handled with confidentiality.

NOTE: Gifts requiring immediate action (e.g. gifts on December 31 or pending sale of property) may be exempted from full Acceptance Committee review if, in the judgment of the President, in consultation with designated members of the Acceptance Committee, that gift may be accepted without significant reservations or in any way jeopardizing the Foundation's tax exempt status.

Fund Options

The Foundation establishes component funds and supporting organizations in response to community needs and donor's charitable concerns. While funds may be built in increments, the minimum balance for fund distributions to begin is \$5,000. The Board of Directors of the Foundation has the responsibility for acceptance, management and disposition of component funds. Options for fund structures include the following:

Unrestricted Funds

Unrestricted funds are available to the Foundation for any of the charitable purposes encompassed by the Foundation's mission. The Grants Committee recommends to the Foundation Board of Directors how unrestricted funds might be best used. Examples include but are not limited to:

- Arts and Culture
- Education and Scholarship
- Health and Human Services
- Civic and Community
- Park and Recreation
- Disaster Relief

Field of Interest Funds

Field of Interest Funds are limited to their use by the donor's stated preference for a specific area of charitable purpose. The Grants Committee recommends to the Foundation Board of Directors which organizations and programs might receive grants from field of interest funds and the amount and timing of such grants. Examples of field interest funds include but are not limited to:

- Children, youth and families
- Arts & Culture
- Education
- Community and neighborhood development
- Health and Human Services
- Animals
- Environment

Advised Funds

Donors establish advised funds when they wish to actively participate in the grant activity of the fund. Donors of advised funds may offer recommendations to the Foundation regarding the recipients and amounts of the grants from the fund. When the donor and spouse are no longer living or no longer wish to serve in an advisory capacity, the advised fund will be unrestricted in nature unless the original fund agreement specifies an alternative type of fund. The successor provision shall extend until no activity or communication by the designated successor takes place within two years.

Scholarship Funds

Scholarship Funds are dedicated to providing grants for educational assistance to individuals seeking post-secondary education.

Designated Funds (Agency Funds)

Designated funds are earmarked for one or more charitable organizations, and all grants made from such funds will be made to (or for the use of) the designated recipient organization. If the recipient organization ceases to exist or changes its status or mission as a charitable organization, the Foundation's Board of Directors may exercise its variance power, selecting an alternate use for the fund compatible with its original charitable purpose.

Supporting Organizations

Donors establish supporting organizations at the Foundation as independently incorporated tax-exempt nonprofit organizations with separate governance, *Appendix C*. A supporting organization is a grant-making entity that avoids private foundation status by being operated, supervised, controlled by, or in connection with the Foundation. The Board of Directors of the Foundation appoints a majority of the board of directors of the supporting organization.

Community Projects

The Community Foundation may serve as fiscal sponsor for various community projects designed to improve the quality of life for residents in Northern Cincinnati. These non-endowed/pass-through funds are created to hold contributions raised for a specific purpose until disbursements are made to cover the costs of the project. When the money for the project has been expended, the temporary fund ceases to exist. Community project funds require a written agreement and approval by the Foundation Board of Directors.

Donor Bill of Rights

Philanthropy is based on a voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have the full confidence in The Northern Cincinnati Foundation, we declare that all donors have these rights.

1. **To be informed of the organization's mission**, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purpose.
2. **To be informed of the identity of those serving on the organization's governing board**, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. **To have access to the organization's most recent financial statements.**
4. **To be assured their gifts will be used for the purposes for which they were given.**
5. **To receive prompt acknowledgement and appropriate recognition for all gifts.**
6. **To be assured that information about their donations is handled with respect** and with confidentiality to the extent provided by law.
7. **To expect that all relationships with individuals representing organizations** of interest to the donor will be professional in nature.
8. **To be provided with disclosure of all significant parties** involved with The Northern Cincinnati Foundation.
9. **To be assured that The Northern Cincinnati Foundation will not share** mailing lists with any other entity.
10. **To feel free to ask questions when making a donation** and to receive prompt, truthful and forthright answers.