

**Gift and Fund Acceptance Policies**  
**Adopted by the Board 9-20-06**  
**Amended 12-20-06, 1-6-10, 6-27-12, 3-20-13, 8-24-17, 12-15-22**

The Community Foundation of the Gunnison Valley (“CFGV”), a nonprofit organization organized under the laws of the State of Colorado, encourages the solicitation and acceptance of gifts to CFGV that will help the organization further and fulfill its mission.

The following policies and guidelines govern acceptance of gifts made to CFGV for the benefit of any of its programs. They are established to ensure that each gift to CFGV is structured to provide maximum benefits to the community, the donor, the organization, and the beneficiaries of CFGV’s charitable programs and activities.

**Purpose and Scope of Policies and Guidelines**

The Board of Directors of CFGV and its Staff solicit current and deferred gifts from individuals, corporations and foundations to secure the future growth and missions of CFGV. These policies and guidelines govern the acceptance of gifts by CFGV and provide guidance to prospective donors and their advisors when making gifts to CFGV. The goal is to encourage financial support for CFGV 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 CFGV’s charitable purposes.

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

**Ethical Standards in Dealing with Donors**

CFGV is committed to the highest ethical standards of philanthropy and development. In all transactions between potential donors and the organization, CFGV aspires to provide accurate information and full disclosure of the benefits and liabilities that could influence a donor’s decision.

The role of CFGV’s Staff is to inform, guide, and assist the donor in fulfilling their philanthropic goals, without pressure or undue influence. CFGV Staff or any person acting for or on CFGV’s behalf will comply with the “Model Standards of Practice for the Charitable Gift Planner” (<https://charitablegiftplanners.org/standards/model-standards-practice-charitable-gift-planner>) and the “Donor Bill of Rights” (<https://afpglobal.org/donor-bill-rights>).

CFGV seeks the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. All prospective donors of gifts other than outright gifts of cash or publicly traded securities are encouraged to consult with legal counsel and/or financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

In particular, donors should be made aware of the following, as appropriate:

- The irrevocability of a gift;
- The power of variance;
- Applicable CFGV policies and guidelines, including, but not limited to, the Investment Policy, Donor Advised Fund Guidelines, Grant-Making Due Diligence and Expenditure Responsibility Policy, Donor Initiated Fundraising Guidelines, and Administrative Fee Schedule, as amended from time to time;
- CFGV’s distribution rate;
- Prohibitions of donor restriction;

- Items subject to variability, such as market value, investment return, and income yield;
- 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;
- Direct costs of administering initial gifts to funds are generally paid out of the assets of the individual funds, including custodial, investment and administrative fees; CFGV reserves the right to assess a set-up fee.

### **Gifts Not Intended to Establish Funds**

CFGV accepts gifts into all component funds to which a donor may want to contribute. Gifts that are given that are intended to support a specific fund or cause and not to establish a fund will be accepted in accordance with the provisions contained within this policy. When appropriate, CFGV may elect to enter into some sort of agreement to facilitate acceptance of the gift.

### **Gifts Intended to Establish Funds**

The purpose of a gift to CFGV to establish a fund will be defined in a written fund agreement or deferred gift instrument signed by the donor, or his or her appointed representative and the Executive Director or an officer of CFGV.

It is the policy of CFGV to develop a signed fund agreement prior to receiving a current outright gift to establish a fund valued at more than \$5,000, or in the case of a planned gift in which the donor is living, as soon as possible once CFGV becomes aware of its existence.

Standard fund agreements which have been approved by legal counsel may be used. Individual fund agreements will be prepared and reviewed by Staff and/or legal counsel of CFGV.

Funds remain permanently in the name of the donor (or a name the donor chooses), and CFGV provides all the administrative support to honor the donor's philanthropic intent. Of course, any donor who wishes to remain anonymous may do so. There are no fund minimums set by policy. CFGV believes that "anyone can be a philanthropist" and should not be discouraged by fund minimums.

### **Gift and Fund Acceptance Committee**

In general, CFGV Staff is authorized by the Board to accept new gifts and funds subject to the policies outlined herein.

To assist Staff in the evaluation of *complex* gifts and funds, the Board of Directors from time to time authorizes the creation of an Ad Hoc committee, to be known as the Gift and Fund Acceptance Committee ("Committee"). The Committee has the responsibility to consider and accept or reject *complex* gifts and funds. Members of the Gift and Fund Acceptance Committee, all of whom will be considered voting members regardless of whether or not they sit on the Board, shall consist of:

- The President of the Board
- The Treasurer of the Board
- 1 member of the Executive Committee, other than the Board President and Treasurer
- 1 member of the Finance and/or Investment Committee, other than the Treasurer
- Such other members or advisory members as appointed by the President
- Ex-Officio member(s) include the Executive Director and any Development Director as may be employed at the time

The Staff and Committee are charged with ensuring that gifts received are consistent with these policies and with State and Federal law and IRS Guidelines, and that they are in the best interest of CFGV. Committee members reach agreement by simple majority of voting members, with the assistance of advisory members who have expertise in specific types of gifts. Committee members may also review proposed funds that may fall outside the ordinary scope of Staff expertise. Gifts

requiring Committee review will be handled promptly and CFGV Staff will immediately notify donors if a gift is not accepted.

In the case of significant disagreement or hesitancy on the part of the Committee, the Committee may wish to present the proposed gift or fund in a confidential way to the CFGV Board of Directors for further consideration.

### **Restrictive Gifts**

The purpose of a gift must fall within the broad charitable purposes of CFGV. Each proposed fund or gift will be considered on a case by case basis. CFGV reserves the right to accept or decline any proposed fund or gift to the organization. CFGV will not accept gifts that are too restrictive in purpose, gifts that are too difficult to administer, or gifts that are outside the mission of CFGV. All final decisions on the *restrictive* nature of a gift, and its acceptance or refusal, will be made by the Board of Directors, and, in the case of complex gifts, after presentation by the Gift and Fund Acceptance Committee, in consultation with the Executive Director.

### **Authority to Negotiate and Sign Gift Agreements**

CFGV's Executive Director will have the authority to handle inquiries, negotiate with donors, assemble documentation, retain expert and technical consultants, and execute agreements on the organization's behalf.

### **Gifts Which Do Not Require Review**

Gifts received in the following forms can be accepted by CFGV Staff and will ***not*** require prior review and approval by the Committee:

- **Cash or cash equivalents and checks**

CFGV accepts cash, checks, wire transfers or money orders made payable to the Community Foundation of the Gunnison Valley or any of its funds.

- **Publicly Traded Securities**

CFGV accepts publicly traded securities that have appreciated in value. The proceeds from the sale of publicly traded security contributions will be added to the appropriate fund. In the event CFGV receives actual stock certificates, these should be properly endorsed by the donor and CFGV.

Note: Often the value of the gift of securities as recorded when received (calculated by averaging the high and low values of a share on the trading day the shares are received, multiplied by the number of shares received) differs from the value of the securities when sold. In accordance with Generally Accepted Accounting Principles, the difference in value, whether positive or negative, shall be absorbed into the Operating Fund.

It is the general policy of CFGV to sell marketable securities immediately upon receiving them, unless otherwise directed by the Investment Committee. CFGV's Board and Investment Committee governs the disposition of securities and makes all decisions regarding the sale or retention of securities. In some cases, securities may be restricted by applicable securities law; in such instances, the final determination of the acceptance of the restricted securities will be made by the CFGV's Gift and Fund Acceptance Committee.

### **Gifts that require review or approval by the Committee include:**

- **Closely Held Stock**

Donors wishing to make gifts of stock in a closely held corporation or S corporation must have it valued by a reputable independent accounting or appraisal company prior to making a contribution. If the stock is immediately marketable, it may be accepted and will be sold. If the stock is not immediately marketable, the Committee may recommend non-acceptance of the gift or may authorize that the stock be held by CFGV until it may be redeemed or sold for cash. If the stock is being contributed to a Donor Advised Fund, in order to be in compliance with

Federal excess business holding rules, any gift that will result in excess business holdings must be analyzed by the Gift and Fund Acceptance Committee and will be considered for acceptance only if there is a written plan for divestiture within 5 years. The holdings of a Donor Advised Fund, together with the holdings of persons who are disqualified persons with regard to the fund, may not exceed 20 percent of the voting stock of an incorporated business, 20% of the profits interest of a partnership or joint venture, or the beneficial interest of 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.

- Note: The acceptability of a gift of closely held or S corporation stock will depend on the ultimate financial liability of CFGV and the amount of management attention required.

- **Tangible personal property**

Tangible personal property may be accepted as a gift if: 1) CFGV determines that the property will be used in furtherance of the organization's exempt purposes; or 2) CFGV will be able to sell the property. If the property is to be sold, CFGV will accept the gift only if it has sufficient value to justify the expenditures or resources required for such sale. If the value exceeds \$5,000, the donor is required to have an appraisal done by a qualified appraiser as determined by the IRS and submit IRS Form 8283. If the property is sold within three years, IRS Form 8282 must be filed by CFGV, informing the donor and IRS of the sale price of the item(s)

- ***Procedures for Accepting Personal Tangible Property***
  - CFGV will review all prior appraisals and authentication documents, if any, relating to the property.
  - If the property is to be sold, CFGV 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 CFGV 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.
    - All tangible personal property shall be examined with the following criteria in mind:
      - Is the property marketable?
      - Are there any undue restrictions on the use, display, or sale of the property?
      - Are there any carrying costs for the property?

- **Real property**

If a donor wishes to contribute real property or an interest in real property to CFGV, whether as an outright gift or through a deferred giving arrangement, CFGV Staff and Gift and Fund Acceptance Committee will consider all facts and circumstances in determining whether to recommend accepting the gift. Donors will always be advised to confer with their own counsel to review the terms of the gift.

- ***Policies and Procedures for the Acceptance of Gifts of Real Estate***
  - **Authority to Accept Gifts of Real Estate.** The following officers are authorized to accept gifts of real estate that are permitted by these policies: The President of the Board or the Executive Director - only after review by the Committee.
  - **Conditions for Acceptance.** In general, it is the policy of CFGV to accept gifts of real estate only if they are to be sold within 12 months with the proceeds used for the general purposes of the organization, or as provided by the donor. CFGV reviews each proposed gift on an individual basis and may accept or reject any proposed gift. A gift of real estate may also be accepted under the following conditions on a case-by-case basis: if it is to be used by CFGV in connection with

established or specifically approved programs or activities; or if it is to be held for the production of income.

- **Prohibited Transactions.** CFGV will not accept property which would jeopardize its tax-exempt status or expose it to expenses for which no source of funds has been identified.
- **Conditions Affecting Acceptance**
  - If the property is to be used by CFGV, it shall be in good physical condition. If it is not in compliance with applicable building, health, and safety codes, or requires repairs or improvements, a source of funds for the costs of bringing the property into compliance must be identified prior to acceptance.
  - The proposed use must be lawful and consistent with any previously approved CFGV strategic plans involving the use or acquisition of real property.
  - If the property is to be held to produce income, a pro forma positive cash flow analysis must compare favorably to the amount of income that would be obtained if the property were sold and the proceeds invested as a part of the general investment pool.
  - If the property is to be sold, it should be marketable within a reasonably short period of time. If the Board deems market conditions unfavorable to receive an acceptable/fair price within the 12 month period stated in "Conditions for Acceptance," the full Board may vote to extend the 12 month holding limit as necessary as long as research deems there will be no harm to the donor. Acceptance of offers to purchase property from CFGV requires the signature of the Executive Director, or the Executive Director's corporate legal delegate and the approval of the Gift and Fund Acceptance Committee.
  - CFGV, at this time, may carry back financing on a property sold. The future may dictate a change in this policy. The determination is made on a case-by-case basis.
  - If the property is commercial property, CFGV will weigh its ability to manage said property for the time necessary to sell the property. For example, income producing property may subject CFGV 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.
- **Procedure.** Prior to formal acceptance, the following shall be obtained by CFGV Staff:
  - Preliminary title report covering the subject property (the title report shall reflect that title is vested in the donor on the form represented, and is subject to no claims, liabilities or major defects of title);
  - A suitable property valuation by a qualified appraiser as defined in the Pension Protection Act of 2006. The donor may be asked to pay the costs associated with obtaining any necessary final appraisal;
  - A list of improvements to the property;
  - A current list of leases, if any;
  - A list of encumbrances, mortgages, liens, and current expenses, if any;
  - A commitment for title insurance;
  - A professional physical inspection of the property by a consultant to CFGV; and
  - The Colorado Real Estate Commission Seller's Disclosure Form (supplied by donor).

Conditional acceptance may be made subject to satisfactory completion of each of the foregoing.

- **Hazardous Waste Considerations.** If deemed necessary, prior to formal acceptance, a Stage I Environmental Assessment must be made by an individual or firm competent to advise CFGV whether further investigation is needed.
  - **Grant Deed.** Upon acceptance of the gift of real estate, it is the responsibility of the Gift and Fund Acceptance Committee and the Executive Director to insure that the warranty deed is properly conveyed to CFGV. This includes having the donor sign the deed and recording it with the appropriate county. All closing paperwork shall be handled by a title company or attorney. The Executive Director or the Executive Director's legal delegate has the responsibility for the proper safeguarding of all deeds.
  - **Internal Revenue Service Form 8283.** The Internal Revenue Service requires that Form 8283 be completed so as to be filed with the donor's tax return. Upon acceptance of the gift, the Executive Director or the Executive Director's delegate shall be responsible for completing the "Donee Acknowledgement section" of IRS Form 8283, mailing the original form to the donor and a copy subsequently filed.
  - **Internal Revenue Service Form 8282.** The Internal Revenue Service requires that Form 8282 be completed and filed (with respect to any real estate for which a Form 8283 has been filed) when that property is disposed of by the donee institution within three years of the date of gift. Upon disposition, CFGV will be responsible for filing Form 8282 in a timely manner.
  - **Maintenance, Upkeep, Insurance, etc.** Prior to acceptance of any gift of real estate, a source of funds must be identified for maintenance, upkeep, insurance, etc. of the donated property. It is advisable to ask the donor for funds to meet these costs if it is anticipated that CFGV will hold the property for longer than six months prior to sale.
- **Life Estates**
  - **Simple Life Estate Agreements.** In the case of property donated to CFGV subject to a life estate, the life tenant shall enter into an agreement in writing providing that the life tenant shall pay all the costs of maintenance and upkeep of the property including but not limited to repairs, improvements, taxes, insurance, etc. CFGV's life estate agreement will be attached to said document.
  - **Cost Recovery.** Funds to cover costs such as appraisals, hazardous substance assessments, taxes, insurance, maintenance, and unanticipated expenses may be advanced from other funds of CFGV and recovered at the time disposition of the property is made. The cost of recovery shall include interest on CFGV funds, normally equal to earnings of funds operating as an endowment. Donors shall be advised of this policy.
  - **Documentation of Acceptance of Property.** It is the responsibility of the Executive Director to secure acceptance from any of those parties authorized to accept property and assure documentation of acceptance. Documentation may be in the form of a memo to the file or more formally by letter.
  - **Death of Donor.** Upon the death of the donor, CFGV may use the property or reduce it to cash. Where CFGV receives a gift of a remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor's estate.
  - **Exception Procedure.** Exceptions to these policies may be made by the Executive Director or the Executive Director's legal delegate when such exceptions are deemed to be in the best interest of the organization. Such exceptions shall be in writing and set for the basis of the exception.
- **Partnership Interest**

CFGV does not accept gifts of general partnership, limited partnership, or limited liability company interests.

- **Bargain Sales**

CFGV does not participate in bargain sales at the time of the review of this policy but reserves the right to add bargain sales to the policy later in keeping with the guidelines for changing policy.

- **Planned Gifts**

CFGV's planned giving program encompasses all types of gifts whose benefits do not fully accrue to CFGV until some future time (such as the death of the donor or other income beneficiaries or the expiration of a predetermined period of time) or whose benefits to CFGV are then followed by the interests of noncharitable beneficiaries. Any bequests received without known restriction by the donor will be allocated according to the Large & Unexpected Gifts provision below. The types of planned giving opportunities accepted by CFGV are:

- **Gifts by Will or Living Trust.** CFGV encourages donors and supporters to make bequests to CFGV under their wills and trusts. CFGV encourages such donors to contact CFGV during their lifetime to discuss their charitable intent. Sample bequest language is available; however donors are encouraged to consult a professional advisor for additional assistance. CFGV may not be named as Executor for a donor in their will and will not serve if named. CFGV may create a named fund in memory of the donor if there is no stipulation for anonymity.
- **Gifts of Life Insurance.** CFGV 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) CFGV 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 CFGV chooses to discontinue premium payments, the policy will be surrendered. CFGV may accept gifts of life insurance policies in any amount to any existing fund. 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.
- **Charitable Remainder Trust.** CFGV may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift and Fund Acceptance Committee. CFGV will not accept appointment as Trustee of a charitable remainder trust.
- **Charitable Lead Trust.** CFGV may accept designation as income beneficiary of a charitable lead trust. CFGV will not accept appointment as Trustee of a charitable lead trust.
- **Gift Annuities.** CFGV does not participate in gift annuities at the time of review of this policy but reserves the right to add gift annuities to the policy at a later time in keeping with the guidelines for changing policy.
- **Retirement Plan Beneficiary Designation.** Donors may make lifetime gifts of retirement assets or name CFGV 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.

- **Cryptocurrency**

The IRS classifies cryptocurrency as property for tax purposes, which means it is an efficient way to support nonprofits. When donating crypto, donors receive a tax deduction for the fair market value of the crypto, and they avoid the capital gains taxes they would have incurred if they had sold the crypto and made a donation with the proceeds. CFGV may accept a donation of appreciated cryptocurrency after due diligence is performed to determine that the asset is able to be transferred and liquidated. Policies and procedures for the acceptance of gifts of cryptocurrency will be determined by the Gift and Fund Acceptance Committee upon accepting the first gift of crypto, and this policy will be amended with those policies and procedures at that time.

**Gifts whose structures fall outside the ordinary purposes, bylaws and procedures of CFGV**

- **Excess Business Holdings with regard to Donor Advised Funds.** 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;
  - 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, it is CFGV's policy to divest itself of such holdings within five years from the date the asset is acquired. If that is not possible, the asset will be transferred to a new or existing fund that is not an advised fund.

### **Large and Unexpected Gifts**

Large, unexpected, unrestricted gifts of less than \$25,000 shall be allocated by staff according to what is most urgently needed at the time. Large, unexpected, unrestricted gifts of \$25,000 or more shall be allocated as follows:

- 45% to Charter Fund (or current grantmaking endowment)
- 45% to Forever Fund (or current unrestricted endowment)
- 10% to Operating Fund

Any unexpected, unrestricted gifts of \$50,000 or more are referred to the Finance Committee for their recommended allocation using the above as suggested protocol as a basis of discussion.

### **Unknown Gifts**

Gifts of unknown origin or purpose will be held in the Community Foundation Transfer Fund (or current pass-through fund), without an administrative fee being applied, until the donor and purpose is identified or for a period of 12 months. If after that time the donor and purpose of the gift is still unknown, it shall be moved into the Forever Fund and the applicable administrative fees, in accordance with the Administrative Fee Schedule as amended from time to time, shall be applied.

### **Miscellaneous Provisions**

- **Acknowledgement.** CFGV shall acknowledge all accepted gifts in compliance with the current IRS requirements in acknowledgement of such gifts..
- **Appraisals and Legal Fees.** It will be the responsibility of the donor to secure an appraisal where required and independent legal counsel when necessary for all gifts made to CFGV. CFGV does not pay legal, accounting or appraisal fees for any future gift.
- **Valuation.** CFGV will record a gift received at its valuation for gift purposes on the date the gift is completed.
- **Illiquid Assets.** In connection with the acceptance of illiquid assets, CFGV 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 CFGV's administrative costs. Accordingly, as a condition of CFGV's acceptance of the gift, CFGV may require a pledge or other written agreement between the donor and CFGV 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.

### **Investment of Gifts**

- The Board of Directors and the Investment Committee reserve the right to make any and all investment decisions regarding gifts received.
- In making a gift to CFGV, donors give up all rights, title and interest to the assets contributed. In particular, donors give up the right to choose investments and investment managers or brokers, or to veto investment choices for their gifts.
  - However, when the size of a fund warrants separate investment consideration, and when otherwise permitted by law, CFGV 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 CFGV's Investment Policy, and may consult with donors on investment options for such fund.

### **Changes to Gift and Fund Acceptance Policies**

These policies and guidelines have been accepted by the Board of Directors of CFGV. The Board of Directors must approve any changes to or deviations from these policies.

Exception: when IRS regulations change, the then current IRS policies shall become part of these policies replacing those attached the day of initial approval of the Board of Directors, without action of the Board.

Amended by the Board on December 15, 2022

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Rose Zealand, Secretary

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Date