

Gift Acceptance Policy

Approved May 16, 2023

Purpose

The purpose of this policy of the Quad Cities Community Foundation and affiliated entities (referred to as the "Community Foundation" in the following sections of this policy), is to serve the best interests of the Community Foundation, its donors, and a healthy, caring community by providing guidelines for negotiating and accepting various types of gifts for various types of funds. Given the increasing complexity of IRS regulations, the volume of real estate and other property gifts, and state and federal environmental laws, the Community Foundation recognizes the value in carefully screening proposed gifts.

The purposes of the gift must fall within the broad charitable purpose of the Community Foundation. In addition, the Community Foundation Board and staff must be able to assure that gifts accepted by the Community Foundation do not place other assets of the Community Foundation at risk, and that they can be easily converted into assets that fall within the Community Foundation's investment guidelines. The Community Foundation must also assure that it can administer the terms of the gift in accordance with the donor's wishes.

Ethical Standards in Dealing with Donors

The Community Foundation is committed to the highest ethical standards of philanthropy and development. In all transactions between potential donors and the Community Foundation, the Community Foundation will aspire to provide accurate information and full disclosure of the benefits and liabilities that could influence a donor's decision and make an informed choice about using the Community Foundation as a vehicle of charitable gifts. **In addition, all donors will be strongly encouraged to discuss their gifts with their own financial and tax advisors before signing any gift agreement.** The Community Foundation staff will not provide tax, legal, or financial planning advice.

The Community Foundation recognizes the paramount role of donors and their gifts to the Community Foundation in executing its charitable mission. In carrying out the Community Foundation's development program, staff will recognize and acknowledge donors in appropriate ways, both publicly and privately, subject to the Community Foundation's Confidentiality and Privacy Policy. Donors reserve the freedom to determine the degree and type of recognition that they prefer, and the Community Foundation respects the confidentiality of donors who do not wish to be publicly recognized. To facilitate this purpose, the Community Foundation follows the *Model Standards of Practice for the Charitable Gift Planner* adopted by the Partnership for Philanthropic Planning and the American Council on Gift Annuities and the *Code of Ethical Standards* adopted by the Association of Fundraising Professionals. These codes of ethics are found in Appendix A of this policy.

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The Quad Cities Community Foundation Responsibilities

The Community Foundation staff should disclose to all prospective donors the benefits and liabilities that could reasonably be expected to influence the donor's decision to make a gift to the Community Foundation. In particular, donors will be encouraged to consult with legal counsel and financial advisors in making their decision. Donors should be made aware of:

- The irrevocability of a gift;
- Prohibitions on donor restrictions;
- Items subject to variability (market value, investment return, and income yield); and
- The Community Foundation's responsibility to provide periodic financial statements on donor funds.

Staff should maintain a written record of discussions with donors. The role of the Community Foundation staff shall be to inform, guide and assist a donor in fulfilling his or her philanthropic wishes, but never to pressure or unduly influence a donor's decision.

Gift Acceptance Committee

The Executive Committee at the Community Foundation serves as the Gift Acceptance Committee, hereafter known as the "Committee."

In circumstances where the President/CEO cannot make a clear determination, the matter will be submitted to the Committee. A decision will be made at this level or the Board of Directors. If needed, advice will be sought from legal counsel and or other professionals.

Notwithstanding the Committee's authority above, gifts requiring immediate action (such as gifts in late December) may be exempted from full Committee review if, in the President's judgment, in consultation with the Chair and Vice-Chair of the Committee, that gift may be accepted without in any way jeopardizing the Community Foundation's exempt status. The decision will be ratified by the Committee or full Board of Directors at a later date.

Gifts requiring Committee review will be handled promptly. The Community Foundation staff will immediately notify donors if a gift is not accepted.

Forms of Gifts to the Quad Cities Community Foundation

Gifts Requiring Committee Review:

- Tangible personal property that is not readily marketable, including cryptocurrency;
- Real property;
- Closely-held and S corporation stock;

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- Partnership interests;
- Accounts receivable (gifts of loans, notes, mortgages, etc.);
- Gifts of intellectual property, mineral reserves, precious metals, and other types of assets carrying their own challenges;
- Gifts whose structure fall outside the ordinary purposes, bylaws, and procedures of the Community Foundation;
- Life insurance policies requiring future premium payments by the Community Foundation; and
- Gifts of excess business interest of a significant size that warrant excess business holdings concern.

Gifts Not Requiring Committee Review:

- Cash or cash equivalents;
- Checks;
- Marketable securities;
- Gifts of personal property for use in the Community Foundation offices or programs; and
- Life insurance policies except as noted above.

(See Appendix B for details on each gift category)

Gifts Declined

The Community Foundation reserves the right to refuse any gift it believes is not in the best interest of promoting a healthy, caring community. In addition, the Community Foundation will not knowingly accept a charitable gift from a donor who:

- Has insufficient income and assets remaining after making a gift to provide for his/her needs such as personal support and healthcare.
- Has insufficient income and assets remaining after making a gift to provide for his/her heirs for whom he/she is fiscally responsible.
- Has an apparent insufficient mental capacity to make a rational decision.
- Has insufficient input from competent financial, legal, and/or personal counsel.
- Offers a gift of a business interest to a donor advised fund that would violate the excess business holding rules.

If, at any time following the acceptance of a gift, the donor commits any act or becomes involved in any situation or occurrence which brings the donor into public scandal, the resulting charitable purpose or donee of a gift becomes subject to public scandal, or if circumstances change substantially so that the continued use of the donor's name or gift may compromise public trust, the reputation of the Foundation or the Foundation's mission, the Foundation reserves the right to remove the donor's name from a fund and/or redirect the gift to

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another charitable purpose. Such actions require the approval of the President & CEO and Board of Directors and would include notification to the donor.

Types of Funds

The Community Foundation offers a continuum of funds designed to be responsive to donor needs. While all philanthropy adds value to the community, each type of fund can provide added value to philanthropy in the community.

A Fund Agreement is required to establish a fund with the Community Foundation. The minimum fund balance for each fund type (whether endowed or non-endowed) is generally \$10,000 with some exceptions. See the fund list below for descriptions and minimums. This list is intended to be a sample and not all inclusive. All new funds will be approved by the Board of Directors at their next scheduled meeting.

Unrestricted Endowments offer the broadest giving option, allowing grants to be made wherever community needs are the greatest. The minimum fund balance is \$10,000.

Field-of-Interest Endowments create grants that meet needs in a particular field or geographic area that is of interest to the donor. The minimum fund balance is \$10,000.

Donor Advised Endowments enable the donor to recommend specific organizations to receive grants. The minimum fund balance is \$10,000.

Scholarship or Award Funds help students pursue academic goals. The donor may define guidelines for candidacy, the advisory committee, the school and the award itself. The minimum fund balance is \$25,000. Scholarship funds require objective, competitive and nondiscriminatory criteria. The donor and parties related to the donor may serve on the selection committee, but they must abide by the Community Foundation's Conflict of Interest policy, must make up a minority of the committee members, must not have veto power over the committee's decision, and in any other way cannot directly or indirectly control the committee.

Agency Endowments are established by nonprofit organizations to provide income to them. The Community Foundation handles all administrative and investment responsibilities, freeing the organization to pursue its charitable mission. The minimum fund balance is \$10,000.

Designated Endowments support a charitable organization(s) designated by the fund's donor or donors. Distributions are generally made annually in accordance with the fund agreement. The minimum fund balance is \$10,000.

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Acorn Endowments (Individuals) are established when a donor does not have the minimum balance to start a fund. Individuals have five years to grow the fund to the minimum balance, at which time it matures to a functioning endowment that meets the donor's philanthropic goals. Fund minimums still apply, such as \$25,000 for a Community Foundation managed scholarship.

Acorn Endowments (Non-Profits) are established when a non-profit organization does not have the minimum balance to start a fund. Non-profits have three years to grow the fund to the minimum balance, at which time it matures to a functioning endowment that meets the non-profit's philanthropic goals. Fund minimums still apply, such as \$25,000 for a Community Foundation managed scholarship.

Geographic Affiliate Funds allow a community to obtain additional support for its activities and programs from individuals and groups. Their Advisory Committee, made up of community leaders, recommends distributions in accordance with the fund agreement. The minimum fund balance is \$10,000.

Non-Endowed Donor Advised Funds (Charitable Giving Funds) are a convenient and flexible instrument for charitable giving. These non-endowed funds are easy to establish. Distributions from the funds are recommended by the donor. The minimum fund balance is \$10,000.

Nonprofit Reserve Funds provide an instrument for housing of nonprofit organization medium- or long-term organizational financial reserve needs. The assets in this type of fund can be granted back to the nonprofit when an emergency or priority needs and opportunities present themselves. The minimum opening fund balance is \$10,000.

Project Funds are established to support the charitable activities of others that are limited in duration when it is determined that the accomplishment of those activities furthers the Community Foundation's tax-exempt purposes. The minimum fund balance is \$10,000.

Acknowledgment

Donors shall receive an expression of sincere thanks from the Community Foundation and an acknowledgement of the gift in accordance with federal regulations.

Marketing and Public Awareness

The Community Foundation reserves the right to utilize gift and donor information for marketing and public awareness purposes, unless the donor requests a gift remain anonymous.

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Restrictions

In conformance with Treasury Department regulations governing community foundations, gifts to the Community Foundation may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the Community Foundation from freely and effectively employing the transferred assets, or the income derived there from, in furtherance of its exempt purposes.

Acting as Trustee

By approval of Legal Counsel, the Community Foundation may serve as a trustee for Charitable Remainder Unitrusts. Further, no employee shall serve as a trustee, conservator, executor, or personal representative for one of the Community Foundation's donors or prospects unless specifically approved by the Community Foundation President/CEO. The Board of Directors will be made aware of such trusteeships. All officers shall report such relationships on the Conflict of Interest form as provided periodically to the Board of Directors.

Investment of Gifts

It is the policy of the Community Foundation to convert all gifts to cash as soon as possible. The Community Foundation reserves the right to make any or all investment decisions regarding gifts in accordance with its Investment Policy. In making a gift to the Community Foundation, donors give up all rights, title, and interest to the assets contributed. In particular, donors give up the right to choose investments.

Costs of Accepting and Administering Gifts

Generally, costs associated with the acceptance of a gift such as attorney fees, accounting fees, other professional fees as well as other costs to establish a gift such as appraisal, escrow, evaluation, and environmental assessment fees will be borne by the donor.

The direct costs of administering outright and planned gifts of the Community Foundation will be borne from the assets of the individual funds, except for those special circumstances as determined by the Executive Committee. Custodial, investment, and administrative fees will be paid from the respective funds in accordance with the Community Foundation's guidelines and fee schedules.

Confidentiality

The Community Foundation staff shall maintain strict control over files and information received from or about donors or prospective donors so as to maintain confidentiality of such information. (See Confidentiality and Privacy Policy).

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Public Fundraising

Fundraising undertaken by donors in connection with funds of the Community Foundation requires special consideration and is spelled out in a separate policy.

Authority to Negotiate

The Community Foundation management and administrative officers authorized to accept letters of direction and amendments thereto and to negotiate and sign fund agreements with prospective donors are listed in the Corporate Resolution.

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Appendix A

Model Standards of Practice for the Charitable Gift Planner

Preamble The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fundraising consultants, attorneys, accountants, financial planners, life insurance agents, and other financial service professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning, and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and the relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

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V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be by courtesy, tact and mutual respect.

VI. Consultation with Independent Advisors

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

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Association of Fundraising Professionals' Ethical Standards

The Association of Fundraising Professionals believes that ethical behavior fosters the development and growth of fundraising professionals and the fundraising profession and enhances philanthropy and volunteerism. AFP Members recognize their responsibility to ethically generate or support ethical generation of philanthropic support. Violation of the standards may subject the member to disciplinary sanctions as provided in the AFP Ethics Enforcement Procedures. AFP members, both individual and business, agree to abide (and ensure, to the best of their ability, that all members of their staff abide) by the AFP standards.

Public Trust, Transparency & Conflict of Interest

Members shall:

1. not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute.
2. not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
3. effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
5. comply with all applicable local, state, provincial and federal civil and criminal laws.
6. recognize their individual boundaries of professional competence.
7. present and supply products and/or services honestly and without misrepresentation.
8. establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services.
9. never knowingly infringe the intellectual property rights of other parties.
10. protect the confidentiality of all privileged information relating to the provider/client relationships.
11. never disparage competitors untruthfully.

Solicitation & Stewardship of Philanthropic Funds

Members shall:

12. ensure that all solicitation and communication materials are accurate and correctly reflect their organization's mission and use of solicited funds.
13. ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
14. ensure that contributions are used in accordance with donors' intentions.

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15. ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
16. obtain explicit consent by donors before altering the conditions of financial transactions.

Treatment of Confidential & Proprietary Information

Members shall:

17. not disclose privileged or confidential information to unauthorized parties.
18. adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client.
19. give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
20. when stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.

Compensation, Bonuses & Finder's Fees

Members shall:

21. not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees.
22. be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
23. neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
24. not pay finder's fees, commissions or percentage compensation based on contributions.
25. meet the legal requirements for the disbursement of funds if they receive funds on behalf of a donor or client.

Adopted 1964; amended Oct. 2014

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Appendix B

Gifts to the Community Foundation take on a variety of forms. Many are outright gifts by living donors, either on a one-time or periodic basis. Others are testamentary gifts that take effect upon a donor's death or other forms of deferred gifts.

If the value of a gift other than cash or marketable securities exceeds \$5,000, a donor is required to have a qualified appraisal performed and submitted to the IRS on Form 8283. If such gifts are sold within two years of receipt, Form 8282 must be filed by the Community Foundation.

The Community Foundation reserves the right to accept or reject any gift as it sees fit. It is the policy of the Community Foundation to convert all gifts to cash as soon as possible. Real estate and other assets which have potential liability associated with them will only be accepted by the Realty Holdings, Inc. of the Quad Cities Community Foundation.

Cash

The Community Foundation accepts cash, checks, or money orders made payable to the Community Foundation or any of its funds.

Marketable Securities

The Community Foundation will add the net proceeds of a marketable securities contribution to a fund of the Community Foundation. The Community Foundation will govern the disposition of securities and make all decisions regarding the sale or retention of securities.

Cryptocurrency

Cryptocurrency is a digital currency in which transactions are verified and records maintained by a decentralized system using cryptography, rather than by a centralized authority. The Community Foundation utilizes the services of a third-party giving platform servicer that will accept, liquidate, convert to USD, and adhere to all IRS standards and reporting requirements regarding charitable gifts of cryptocurrency on behalf of the Foundation. Immediately after a gift of cryptocurrency is confirmed to have been received by the third-party servicer on the blockchain it will be automatically exchanged for USD at the market price of that particular currency. Only after liquidation by the third-party servicer will the Community Foundation add the net proceeds, minus any third-party servicer fees, of a cryptocurrency contribution as a cash gift to a fund of the Community Foundation. The Community Foundation does not custody cryptocurrency.

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Stock in Privately Owned Companies and Partnerships

Donors wishing to make gifts of stock in a Closely-Held Corporation or S Corporation or a gift of a partnership interest must have it valued by a qualified independent accounting or appraisal company prior to making a contribution. If it is immediately marketable, it will be sold. Otherwise, it will be held by the Community Foundation until it may be redeemed or sold for cash.

Gifts of Closely-Held Corporation or S Corporation stock must be reviewed and approved by the Committee. Subject to the Committee's approval, the Community Foundation may accept gifts of Closely-Held Corporation 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 Corporation 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 (e.g., 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.

Each gift of Closely-Held Corporation or S Corporation stock giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law by a qualified independent accounting or appraisal company prior to making the contribution. The donor will be responsible for obtaining such appraisal.

Distributions from a component fund that consists entirely of Closely-Held Corporation or S Corporation stock are limited to the income generated by the securities less fees assessed by the Community Foundation and any unrelated business tax imposed thereon.

The Community Foundation will generally seek to redeem or sell Closely-Held Corporation or S Corporation stock contributed as soon as possible. If it is immediately marketable, it will be sold. Otherwise, it will be held by the Community Foundation until it may be redeemed or sold for cash.

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The following procedures apply to all proposed gifts of S Corporation stock:

- The Community Foundation will review the corporate governing documents to determine the rights and obligations associated with the stock and whether or not 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 (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 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: Generally, the Community Foundation does not accept gifts of general partnership interests due to potentially unlimited liability.

Limited Partnership Interests: Gifts of limited partnership interests must be reviewed and approved by the 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.

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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 (e.g., 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.

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 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.

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

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

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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.

Gift Annuities

The Community Foundation offers charitable gift annuities through a partnership with the National Gift Annuity Foundation, Inc., a subsidiary of the Dechomai Foundation. In this partnership, charitable gift annuity contracts are established between the donor and the National Gift Annuity Foundation with the Community Foundation's guidance and for the benefit of a permanent endowment fund housed at the Community Foundation.

Life Insurance Policies

The Community Foundation will accept gifts of life insurance policies if the Community Foundation is named as owner or is assigned ownership in such policies. Policies continuing on a premium-paying basis will be maintained as such by the Community Foundation so long as gifts are made to the Community Foundation in the amount of the premiums due. Premiums can be of a reducing amount if dividends are directed toward future premiums. Should such premium gifts not be forthcoming, the Community Foundation may, on the recommendation of the Committee, elect:

- To have the Community Foundation continue the premium payments.
- To surrender the policy in exchange for its cash surrender value.
- To invoke procedures under which the existing policy values can sustain the policy without further outlay of Community Foundation funds for premium. This can take on any of the following forms:
 - Change the dividends to net (have the dividends pay future premiums).
 - Use the Automatic Premium Loan feature (borrow against the cash value to pay future premiums).
 - Use a combination of the two previous options (have the dividends pay as much of the premium as possible and borrow against the cash value for the remainder amount).
 - Change the policy to paid-up in which case, no more premiums will be due.

The Community Foundation discourages the contributions of life insurance policies subject to policy loans and reserves the right to accept or reject such policies as well as those carrying assignments to other entities.

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The Community Foundation will consider its own interest and the best interest of the donor in the light of tax ramifications in determining on a case-by-case basis the acceptability of encumbered life insurance policies.

Particular care will be given to problems of self-dealing, jeopardy investments, and unrelated business income in this regard.

Gifts Naming Multiple Beneficiaries

From time-to-time, donors may wish to designate multiple beneficiaries of the proceeds from their life insurance policies, IRA'S, other qualified retirement plans, pooled income funds, gift annuities, or other forms of gifts to the Community Foundation. It will be encouraged that other charitable organizations be named as beneficiaries on the contract. However, if the Community Foundation is selected as sole beneficiary and then requested to distribute funds to other organizations, the following guidelines shall apply:

- The Committee will take into consideration the amount of the total gift, the amount designated for the Community Foundation both discretionary and restricted, the added value to the community, and in the case of life insurance policies, whether or not the premiums are paid up.
- In the case where the Community Foundation becomes the sole owner of a donor's life insurance policy, the Community Foundation subsequently has the exclusive right to change the beneficiary/distributee designations. It can then name the Community Foundation or other charitable organizations as beneficiaries. These other charitable organizations must qualify as such under Section 501(c)3 and which are described under section 170(b)(1)(A) of the Internal Revenue Code.

If a policy beneficiary/distributee designation is to be changed to a charitable organization other than the Community Foundation, the Community Foundation shall consider the charitable intentions of the donor. It is understood, however, that a donor's recommendations in this regard are advisory and that the Community Foundation, as owner of the policy, retains exclusive authority to direct the death benefits, maturity, and surrender proceeds of the policy.

Real Property

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.

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If a donor wishes to contribute real property or an interest in real property to the Community Foundation either directly or through a life estate arrangement, the Committee and the Realty Holding, Inc. of the Quad Cities Community Foundation Board of Directors shall consider all facts and circumstances in determining whether to recommend accepting the gift. Donors should always be advised to confer with their own counsel to review the terms of the gift.

Following the Appendixes is the Realty Holding, Inc. of the Quad Cities Community Foundation *Real Estate Acquisition Checklist*. This checklist will be utilized for all transactions involving real estate gifts.

Tangible Personal Property

The donor will be advised whether the gift will be retained and used by the Community Foundation or disposed of immediately.

The Community Foundation accepts gifts of personal tangible property (e.g., 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.

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.

The following procedures apply to all proposed gifts of personal tangible property:

- The Community Foundation or its counsel 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.

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Business Interests

Gifts of Business Interests will be reviewed by the Committee to assure that they do not violate the Pension Protection Act. They will review specifically for the following criteria:

- Is it for a donor advised fund?
- Is it, along with the holdings of any disqualified persons, in excess of 20% of the voting stock of an unincorporated business?
- It is in excess of 20% of the profits interest of a partnership or a joint venture or the beneficial interest of a trust or similar entity?
- Is it ownership of an unincorporated business that is not substantially related to the fund's purposes?

Illiquid Assets

The Community Foundation's general policy is to liquidate all gifts promptly. On occasion, the Committee may decide that it will not liquidate certain gifts immediately. Factors the Committee will consider 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.

Accounts Receivable

The Community Foundation will consider gifts of loans, notes, and mortgages, subject to review and approval by the Committee.

Gift Acceptance Policy

Quad Cities Community Foundation Realty Holding, Inc.
852 Middle Rd Ste 100 / Bettendorf, IA 52722 phone / (563) 326-2840

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.

Gift Acceptance Policy

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.

Real Property Inquiry Form

I. General Information

Owner(s) First and Last Name

Phone

Address

Property Location

Gift Acceptance Policy

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

Current Fair Market Value

Assessed Value for Real Estate Taxes

Real Estate Taxes

Land Value

Building Value

Most Recent Appraisal (Date)

Appraised Value

Gift Acceptance Policy

Appraiser

Occupancy Status After Transfer of Title to Charity

Unimproved (No Buildings)

Unoccupied (Building, but not Occupant)

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	_____	_____
D. Restrictions or Easements	_____	_____
E. Survey Available	_____	_____

Gift Acceptance Policy

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	_____	_____

Gift Acceptance Policy

	Yes	No
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	_____	_____

Gift Acceptance Policy

	Yes	No
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?	_____	_____

Gift Acceptance Policy

VI. Property Expense Budget

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

	Annual
A. Income	
1. Rent	_____
2. Other	_____
B. Expenses	
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	_____

Gift Acceptance Policy

Annual

Snow Removal _____

Pool Services _____

Common Area Charge (Condo) _____

Security _____

Other _____

4. Maintenance/Repairs _____

5. Insurance _____

Total Expenses _____

Net Income (Loss) _____

VII. Additional Information on Sections II through VII

VIII. Acknowledgments

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

Owner

Date

Owner

Date