PARTNERS FOR COMMUNITY LIVING
Gift Acceptance Policies and Guidelines

Partners for Community Living (Partners) shall accept gifts on behalf of its partner agencies, Choices in Community Living, Inc. (CICL) and Resident Home Association (RHA), and any subsequent partner agencies, for the benefit of people with developmental disabilities.

Gifts accepted by **Partners** shall be in accordance with all rules, regulations and laws regarding such gifts, and in accordance with the policies and procedures established by its governing body, the Joint Development Committee (JDC). Partners adheres to the Association of Fundraising Professionals (AFP) Code of Ethical Standards and the Partnership for Philanthropic Planning Model Standards of Practice for the Charitable Gift Planner, attached in the appendix.

Our Mission: Partners for Community Living provides its partner agencies serving people with developmental disabilities cost-effective and cost-efficient support and services they could not afford to provide on their own, such as fundraising, community outreach and advocacy, shared volunteer program, shared website, staff training and database.

I. PURPOSE OF POLICIES AND GUIDELINES

Authorized members of the Partners JDC, volunteers, consultants and its staff will solicit current and deferred gifts from individuals, corporations and foundations which it believes will advance the charitable purposes of Partners and its partner agencies. These policies are established to govern the acceptance and disposition of all designated and undesignated gifts made to Partners for any of its partner agencies' programs or services. All gifts are subject to IRS regulations governing charitable contributions. The JDC and Director of Development shall review the Gift Acceptance Policies and Guidelines every five years and may recommend changes to the for consideration.

II. USE OF LEGAL COUNSEL

The JDC shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

A. Closely held stock transfers that are subject to restrictions or buy-sell agreements
B. Documents naming the JDC or its partner agencies as Trustee
C. Gifts involving contracts, such as real estate, bargain sales or other documents requiring the JDC or its partner agencies to assume an obligation
D. Transactions with potential conflict of interest that may invoke IRS sanctions
E. Gifts that support and/or serve an individual client/resident.
F. Other instances in which use of counsel is deemed appropriate by the JDC.

III. CONFLICT OF INTEREST

Partners will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

IV. RESTRICTIONS ON GIFTS

Partners will accept unrestricted gifts, and gifts restricted for specific programs and purposes of its partner agencies, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. Partners will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of Partners or its member agencies. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the JDC. The purpose for which the gift is given must be consistent with the stated goals, objectives, and philosophy of Partners and its partner agencies, and gifts, whether restricted or unrestricted, become the property of Partners or its member agencies

V. SOLICITATION OF GIFTS

Only authorized representatives (see page 1, item I) of Partners will make any formal solicitation of gifts. All employees, representatives or friends of Partners or its member agencies are encouraged to refer any prospective donor to the Partners Development Office. The interests of the prospective donor will be a primary consideration with respect to any gift to Partners and/or its member agencies. Employees and consultants of Partners will provide information to the donor concerning giving methods and planning techniques available to achieve the donor's charitable goals. Pressure techniques will be avoided and no program, agreement, trust or contract will be presented which would benefit Partners or its member agencies at the expense of the donor's best interests and charitable motivations.

VI. STEWARDSHIP

Partners will seek to serve the charitable giving needs and objectives of its donors by encouraging contributions and properly recognizing the financial contributions of its donors, respecting requests for anonymity. Partners and its member agencies will remain open and accessible to its donors, providing full communication of its activities, use of funds, and policies and procedures.

VII. CONFIDENTIALITY

All information concerning donors and prospective donors will be confidential. No information will be released to the general public without securing the prior permission of the donor. All donative instruments will be deemed confidential to the extent permitted by law. However, a donor may authorize public announcement of any feature of an agreement. Files will be made available to the Internal Revenue Service (IRS) and other government agencies as required by law. Donors will be notified of any requests from such agencies and informed as to the materials provided via copy of the transmittal letter. All other requests for information will be honored only if the donor approves the release of information or if current law requires release of the information.

VIII. TYPES OF GIFTS

A. The following gifts are acceptable:

1. Cash
2. Bequests
3. Securities
4. Retirement plan beneficiary designations
5. Life insurance policy beneficiary designations
6. Life insurance policies
7. Charitable Lead Trusts
8. Charitable Remainder Trusts
9. Charitable Gift Annuities
10. Tangible Personal Property
11. Real Estate
12. Remainder Interests in Property
13. Oil, Gas, and Mineral Interests
14. Bargain Sales

B. The following criteria govern the acceptance of each gift form:

1. Cash: Cash is acceptable in any form. Checks shall be made payable to Partners and shall be delivered unopened to the Partners administrative office at 1651 Needmore Road, Dayton, OH 45414. All gifts will be recorded in the donor database, coded according to specific designations to partner agencies and programs, and acknowledged by Partners, with additional acknowledgement provided by its partner agencies as appropriate.

2. Bequests: Donors and supporters of Partners and its member agencies will be encouraged to make unrestricted bequests to Partners under their wills and trusts. Designated bequests will be honored.

Bequests will not be recorded as gifts on the financials until such time as the gift is irrevocable; however, a placeholder value of $1,000 shall be recorded in the Partners donor database at the time the pledge is received in writing. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

3. Securities: Partners can accept both publicly traded securities and closely held securities.

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

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

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

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

4. Retirement Plan Beneficiary Designations: Donors and supporters of Partners or its member agencies will be encouraged to name Partners as beneficiary of their retirement plans. Designated gifts to its member agencies will be honored. Beneficiary designations will not be recorded as gifts until such time as the gift is irrevocable. When

the gift is irrevocable but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

5. Life Insurance Beneficiary Designations: Donors and supporters will be encouraged to name Partners as beneficiary or contingent beneficiary of their life insurance policies. Designated gifts to its member agencies will be honored. Beneficiary designations shall not be recorded in the financials as gifts until such time as the gift is irrevocable; however, a placeholder value of $1,000 shall be recorded in the Partners donor database at the time of the pledge. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

6. Life Insurance: Partners must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. Designated gifts to its member agencies will be honored. The gift is valued at its cash surrender value upon receipt. If the donor contributes future premium payments, Partners will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, Partners will convert the policy to paid up insurance, or surrender the policy for its current cash value.

7. Charitable Lead Trusts: Partners may accept a designation as income beneficiary of a charitable lead trust. Designated gifts to its member agencies will be honored. Partners or its member agencies will not accept an appointment as Trustee of a charitable lead trust.

8. Charitable Remainder Trusts: Partners may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the JDC. Designated gifts to its member agencies will be honored. Partners or its member agencies will not accept appointment as Trustee of a charitable remainder trust.

9. Charitable Gift Annuities: Partners may offer charitable gift annuities, to be administered by a third party such as The Dayton Foundation or a financial institution. The minimum gift for funding is $10,000. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity. Gift annuity agreements shall be written only when the charitable gift computed, using government tables, exceeds 10 percent of the amount transferred for the annuity.

Annuity payments may be made by the third-party administrator on behalf of Partners on a quarterly, semi-annual, or annual schedule.

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

Funds contributed in exchange for a gift annuity shall be set aside and invested by the third-party administrator during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Partners endowment fund.

10. Tangible Personal Property: All gifts of tangible personal property shall be examined within the context of the following criteria:

- Does the property fulfill the Partners mission?
- 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?

The final determination on the acceptance of tangible property gifts shall be made by the JDC.

11. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the JDC shall require an initial environmental review of the property to ensure that the property has no environmental damage. Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, the JDC shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the JDC prior to the acceptance of the real property gift on behalf of its member agencies. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the JDC and by legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of Partners and/or its member agencies?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

12. Remainder Interests in Property: Partners will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 11, above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, Partners and its member agencies may use the property or reduce it to cash. When Partners receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

13. Oil, Gas, and Mineral Interests: Partners may accept oil, gas and mineral property interests, when appropriate. Prior to acceptance of an oil, gas and mineral interest, the gift shall be approved by the JDC, and if necessary, by legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of $20,000 or greater.
- Gifts of oil, gas and mineral interests should generate at least $3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest is rarely accepted. A working interest may only be accepted where when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that Partners and its member agencies have no current or potential exposure to environmental liability.

14. Bargain Sales: Partners will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of Partners and its member agencies. All bargain sales must be reviewed and recommended by the JDC. Factors used to determine the appropriateness of the transaction include:

- Partners must obtain an independent appraisal substantiating the value of the property.
- If Partners and its member agencies assume debt with the property, the debt ratio must be less than 50% of the appraised market value.
- Partners and its member agencies must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.
- Partners must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

IX. MISCELLANEOUS PROVISIONS

A. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to benefit Partners or its member agencies.

B. For Development purposes, Partners will record a gift received at its valuation for gift purposes on the date the gift is made.

C. Responsibility for IRS Filings upon sale of gift items: Partners is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt, when the charitable deduction value of the item is more than $5,000. Partners must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

D. Acknowledgement of all gifts made to Partners and its member agencies and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Director of Development and the JDC. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* are attached to these policies as an Appendix.

X. CHANGES TO GIFT ACCEPTANCE POLICIES

These policies and guidelines have been reviewed and accepted by the JDC, which must also approve any future changes to or deviations from these policies.

Gary Newton, Chair, Joint Development Committee Date
Partners for Community Living

APPENDIX

A. AFP **Code of Ethics**

B. **Model Standards of Practice** of the Charitable Gift Planner.

C. **Environmental Review Forms** are on file in the Partners Development Office.

D. **IRS Form 8282** and Instructions are on file in the Partners Development Office.

E. **IRS Form 8283** and Instructions are on file in the Partners Development Office.

F. **IRS Publication 561** Determining the Value of Donated Property is on file in the Partners Development Office

G. **IRS Publication 526** Charitable Contributions is on file in the Partners Development Office.

CODE OF ETHICAL STANDARDS

ETHICAL STANDARDS (Adopted 1964; amended Oct 2014)

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 & CONFLICTS 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.
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.

MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER

Adopted and subscribed to by the National Association of Charitable Gift Planners

A code of ethical practice for all professionals who work together to structure gifts that balance the interests of the donor and the purposes of the charitable institution.

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, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services 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 as such 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. PRIMACY OF 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 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 finders' fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are 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.

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 characterized 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 advisors 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 Planners, in order to ensure 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 Planners 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.