



Gift Acceptance Policy

The Southwest Florida Community Foundation, Inc., DBA Collaboratory (“Collaboratory”) as a funder, leader, convener and decision maker in the community is committed to the highest standards of philanthropy and development. In all transactions between potential donors and Collaboratory, Collaboratory will aspire to provide accurate information and full disclosure of the benefits and liabilities that could influence a donor’s decision, including with respect to Collaboratory’s fees, the irrevocability of a gift, prohibitions on donor restrictions, items that are subject to variability (such as market value, investment return, and income yield), Collaboratory’s responsibility to provide periodic financial statements with regard to donor funds, and investment policies and other information needed by donors to make an informed choice about using Collaboratory as a vehicle of charitable gifts.

Collaboratory recognizes the important role of donors and their gifts to Collaboratory in executing its charitable mission. In carrying out Collaboratory’s development program, Staff will recognize and acknowledge donors in appropriate ways, both publicly and privately, subject to Collaboratory’s Policy on Confidentiality. Donors have the right to determine the degree and type of recognition that they prefer and Collaboratory respects the confidentiality of donors who do not wish to be publicly recognized.

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

Purpose of Gifts

Gifts to Collaboratory may be made in any amount for the benefit of our programs serving the community, operations, or any of our component funds. However, the purpose of each gift to Collaboratory must fall within Collaboratory’s broad charitable purposes. In conformance with the U.S. Treasury Department regulation, Collaboratory cannot accept any gift that will be directly or indirectly subject to any material restriction or condition by the donor that prevents Collaboratory from freely and effectively employing the gift assets or the income from such assets to further its charitable purposes. In addition, Collaboratory reserves the right to reject any gift that might place the other assets of Collaboratory at risk or that is not readily convertible into assets that fall within Collaboratory’s investment guidelines. Collaboratory may also decline a gift if it is not able to administer the terms of the gift in accordance with the donor’s wishes.

Types of Immediate Gifts

Cash

Collaboratory accepts gifts of cash:

- Currency of the United States of America
- Checks or money orders made payable to Collaboratory or a component fund
- Credit cards or wire transfers to Collaboratory's account(s)

Marketable Securities

Collaboratory accepts gifts of publicly traded stocks and bonds including mutual funds. The securities are transferred to Collaboratory's account(s) and may either be sold or held for the benefit of a donor's fund in accordance with Collaboratory's investment policies.

Stock in Privately Owned Companies

Collaboratory does not accept gifts of stock held in privately owned companies without a full review and approval of the Executive Committee, as well as a thorough review of the privately owned company. Prior to approval of such gifts, the company's governing documents and financial statements will be reviewed by the Staff with particular attention given to the activity of the company and the underlying assets and liabilities of the company. A qualified appraisal performed by an independent professional appraiser must be obtained. Legal counsel will be obtained not only as to the adequacy of the donor agreement but also with respect to liabilities, risks and uncertainties that Collaboratory might be assuming upon becoming a shareholder in a privately held company. Note: 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.

Stock in Subchapter S Corporations

Collaboratory does not accept gifts of stock Subchapter S Corporations without a full review and approval of the Executive Committee, as well as a thorough review of the corporation. Prior to approval of such gifts, the corporation's governing documents and financial statements will be reviewed by the Staff with particular attention given to the activity of the corporation and the underlying assets and liabilities of the corporation. A qualified appraisal performed by an independent professional appraiser must be obtained. Legal counsel will be obtained not only as to the adequacy of the donor agreement but also with respect to liabilities, risks and uncertainties that Collaboratory might assume upon becoming a shareholder in a subchapter S corporation.

Real Estate

All real estate gifts must be approved by the Executive Committee and confirmed by the Board of Trustees (by meeting or notice) giving full opportunity for input. In addition, prior to approval, such gifts are reviewed by the Staff and legal counsel (using the Checklist in Schedule A attached to this policy as a guide) as well as an independent review by a person or entity engaging in the real estate business. Concerns include legality, mortgages, title, zoning, easements, restrictions, and environmental problems. Until the property is sold, the donor must provide for obligations such as taxes, insurance, and special assessments.

Tangible Personal Property

The property must be saleable and the donor must agree that the property can be sold unless Collaboratory agrees to use the property for a purpose related to its exempt purpose. Each gift of personal property for which the donor expects a charitable deduction of \$5,000 or more must be appraised in accordance with federal tax laws; such appraisal shall be obtained and paid for by the donor. Prior to approval, such gifts are reviewed by the Staff and legal counsel.

Partnership Interests and Interests in Limited Liability Companies (LLC)

Collaboratory does not accept gifts of general partnership interests without a full review and approval of the Executive Committee, as well as a thorough review of the LLC. Prior to approval of gifts of limited partnership interests or interests in an LLC, all relevant partnership and LLC agreements will be reviewed by the Staff and legal counsel with particular attention given to the activity of the partnership/LLC and how allocations are made. Further, the underlying assets and liabilities of the partnership/LLC will be reviewed. Limited partnership interests in family limited partnerships will also be considered.

Costs in Acceptance of Illiquid Assets

Generally, 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. The direct costs of administering gifts are generally paid out of the assets of the individual funds. Custodial, investment, and administrative fees are paid from the respective funds in accordance with Collaboratory's guidelines and fee schedules. Collaboratory reserves the right to assess a set-up fee.

Types of Deferred Gifts

Bequests

Collaboratory receives bequests from persons who have directed Letters of Request and Direction in their wills that certain assets be transferred to Collaboratory upon their demise. Bequests received by Collaboratory will be applied for the charitable purposes requested by the donor. Donors are encouraged to advise Collaboratory of their intention to make such bequests, to ensure that the donor's intent can be carried out through Collaboratory's grant making and organizational capacity.

Life Insurance

Collaboratory accepts life insurance policies for which the donor has relinquished ownership by assigning all rights, title, and interest in the policy to Collaboratory. If the insurance policy is not fully paid up, the usefulness of the gift is judged on a case-by-case basis. If the policy is accepted, Collaboratory may choose either to cash it in for the current surrender value or continue to pay the premium.

Trusts

Collaboratory is named as beneficiary of remainder unitrusts, annuity trusts, and lead trusts. Collaboratory may serve as trustee of any charitable trusts, but also can suggest a number of corporate fiduciaries willing to serve in such a capacity. Donors are encouraged to advise Collaboratory of their intention to make Collaboratory a beneficiary of such trusts, and are encouraged to detail in writing the requests for the charitable purposes that are of interest to the Donor for the guidance of Collaboratory to ensure that the donor's intent can be carried out through Collaboratory's grant making and organizational capacity.

Life Income Arrangements

Several types of deferred giving arrangements can be established during one's lifetime or through a will and can be structured to provide a life income for oneself or a loved one. Life income arrangements include: charitable remainder annuity trust, charitable remainder unitrust, and a remainder interest in a residence or farm. Charitable lead trusts provide income over a term of years or a person's lifetime to charity.

Types of Component Funds

One of the greatest advantages of Collaboratory is its flexibility. Funds can be tailored to the philanthropic interest of each donor. Fund agreements are available to document the establishment of each type of fund. Collaboratory offers several different types of fund, including:

- **Unrestricted funds** are flexible and responsive to emerging and changing community needs. Because donors do not limit the fund to a single cause or purpose, the Collaboratory Board can be more responsible to the immediate needs of the community.
- **Field-of-interest funds** allow donors to support causes addressing specific areas of interest, such as education, health, the arts or animal welfare. The donor decides which area(s) they want to support without having to name a specific nonprofit organization.
- **Designated funds** allow donors to support specific nonprofit organizations through an endowed fund, supporting the organizations long into the future. And if, in the future, an organization no longer exists or no longer offers programs the donor intended to support, Collaboratory will identify another nonprofit organization that meets the donor's charitable goals.
- **Scholarship funds** are dedicated to the continued education or training of students. Scholarship programs may be designed to meet the donor's interests and specifications (i.e. academic achievement, living in a particular geographic region, studying a specific subject, etc.).

- **Donor-advised funds**, which are simple, affordable and flexible charitable-giving tools, allow a donor to provide advice to Collaboratory on awards to charities. Sometimes donors have specific charitable organizations they know they want to recommend for support from their funds; others welcome the opportunity to work with Collaboratory's experienced Staff to identify charitable organizations and areas they want to support, and ways to give in a strategic way.
- **Agency funds** are long term funds held and managed by Collaboratory on behalf of a nonprofit organization. The nonprofit organization may receive the annual payout based upon our spending rate approved by the Board of Trustees or roll it over to build the endowment for the future. The fund is owned by Collaboratory on behalf of the charitable agency.

Fundraising by Donors

Because Collaboratory is legally responsible for all fundraising undertaken on its behalf, fundraising undertaken by donors in connection with funds of Collaboratory must be approved in advance by Collaboratory pursuant to Collaboratory's policy on fundraising by donors. All such fundraising activities are also subject to Collaboratory's supervision.

Schedule A

Real Property Donation Checklist

Gift Acceptance Policy of Collaboratory

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 mortgage, if any.
6. Information regarding existing zoning status.
7. Information on all ingress/egress for the property.
8. Description of prior use of the property.
9. Description of use of surrounding property, with specific disclosure of any storage tanks or potential environmental factors affecting the property
10. Disclosure of any contemplated or anticipated condemnations, right-of-ways or other actions by municipalities that may affect the subject property.
11. Phase I environmental report on the property, including environmental report on any structures located on the real estate.
12. Evidence of title, such as title examination and report, title insurance commitment, or schedule describing any liens, encumbrances, or title matters affecting the property.
13. Copy of appraisal showing the fair market value of the property current within 180 days.
14. Disclosure of amount of existing real estate taxes, insurance premiums, and assessments attributable to the property.
15. Discussion and agreement 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. Collaboratory should consider any continuing financial obligations that would be imposed on Collaboratory by acceptance of the gift.
16. Specimen of proposed Seller's Affidavit disclosing any and all tenants, leases, security instruments or cemetery parcels.
17. Draft of proposed Warranty Deed Conveying title from proposed donor.

Schedule B

Additional Consideration on Certain Deferred Gifts

Gift Acceptance Policy of Collaboratory

Charitable Remainder Trust Gift Acceptance

Collaboratory may accept gifts from charitable remainder trusts in a form substantially similar to the forms approved by the Treasury Department or are otherwise determined by Collaboratory's legal counsel to be legal trusts for administration by Collaboratory on the following terms:

1. Collaboratory may accept charitable remainder interest from any charitable remainder trust if Collaboratory determines it is in its best interest to accept the gift.
2. Collaboratory encourages the use of a Trustee suitable to the donor including banks or other appropriate institutions. Collaboratory will consider serving as Trustee and charging appropriate fees and expenses to the trust if Collaboratory is the irrevocable remainder beneficiary. Should Collaboratory be selected to serve as Trustee, Collaboratory will provide donor's advisors with certain necessary Trustee provisions.
3. Collaboratory encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust. When desirable, Collaboratory will provide sample documents and calculations for the donor and his/her advisors to review, and in special circumstances may agree to pay a portion or all of the expenses of preparation, but only through counsel as selected by Collaboratory.

Life Insurance Gift Acceptance

Collaboratory may accept life insurance policies as gifts to Collaboratory on the following terms:

1. Collaboratory shall be both the owner and the beneficiary of any policy accepted by Collaboratory. Collaboratory may decline to accept any insurance policy if it is not in the best interest of Collaboratory to accept the proposed gift.
2. The donor agrees that the proceeds from the policy will be the property of Collaboratory to be administered by Collaboratory for such purposes as designated by the donor, subject to the policies and procedures of Collaboratory.
3. Collaboratory shall have no obligation to continue premium payments on insurance policies.
4. If any insurance policy lapses for non-payment prior to maturity because a donor fails to provide sufficiently for premium payments, Collaboratory may redeem the policy and apply the proceeds from any cash settlement to Collaboratory.

5. The minimum dollar amount of the life insurance policies to be considered for acceptance by Collaboratory is \$25,000.

Family Limited Partnership Gift Acceptance

Prior to Collaboratory accepting family limited partnership interests, the partnership agreement must be reviewed by Collaboratory's Executive Committee. The Committee will review the agreement's structure, function and underlying assets. Issues to be reviewed include, but are not limited to the following:

- Value of the limited partnership interest. Generally, a minimum discounted value of the limited partnership, as established by a qualified appraisal of \$25,000 is required.
- The beneficiary of both the income stream and liquidation proceeds of the limited partnership must be the Collaboratory.
- Costs to Collaboratory in holding the interest such as administrative responsibilities, tax return preparation and unrelated business income tax. The donor may be asked to cover all or some of these costs, particularly the unrelated business income tax which may be generated by phantom income.
- Is Collaboratory's interest sufficiently liquid? Does the agreement provide Collaboratory the power to redeem its interest, either through a preferred interest with a guaranteed return or a series of put options upon the expiration of which Collaboratory has a right to absolute redemption or another method agreed upon by both parties? Do the "family" partners intend to liquidate at some point in time?