RICHMOND JEWISH FOUNDATION

GIFT ACCEPTANCE
POLICIES AND GUIDELINES

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GIFT ACCEPTANCE POLICIES AND GUIDELINES

Richmond Jewish Foundation, a not for profit organization organized under the laws of the Commonwealth of Virginia, encourages the facilitation, solicitation and acceptance of gifts to Richmond Jewish Foundation (hereinafter referred to as the Foundation) for purposes that will help the Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation or for the benefit of any of its programs.
The Mission of the Richmond Jewish Foundation is to enable donors to create ongoing resources to meet current and future charitable, religious, educational and scientific needs of the Jewish people and others throughout the world. The Foundation will serve as a fiscal steward for the resources it manages.

I. ***Purpose of Policies and Guidelines*** The Board of Directors of Richmond Jewish Foundation and its staff accept or solicit current and deferred charitable gifts from individuals, corporations, and foundations to secure the future growth and missions of the Foundation. These policies and guidelines govern the acceptance of gifts by the Foundation and provide guidance to prospective donors and their advisors when making gifts to the Foundation. The provisions of these policies shall apply to all gifts received by the Foundation for any of its programs or services. The purposes of these policies is to ensure that gifts are appropriate to the mission of the Foundation; impose no undue financial burdens on the Foundation; if restricted, are written in reasonably broad and flexible language; and permit the Foundation to apply the gift to a related purpose in the event that the designated purpose is no longer practical, necessary or able to be performed.

II. ***Use of Legal Counsel*** Richmond Jewish Foundation 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 Richmond Jewish Foundation as Trustee
c. Gifts involving contracts, such as bargain sales or other documents requiring the Richmond Jewish Foundation to assume an obligation
d. The creation of a supporting foundation affiliated with, partnering with or benefiting Richmond Jewish Foundation.
e. Transactions with potential conflict of interest that may invoke IRS sanctions
f. Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee

III. ***Confidentiality Policy*** All communications with donors and information concerning donors and prospective donors shall be held in strict confidence by Richmond Jewish Foundation, subject to legally authorized and enforceable requests by government agencies and courts. All other requests for, or releases of, information concerning a donor or a prospective donor should be honored or allowed only if prior permission is obtained from the donor.

IV. ***Conflict of Interest*** Richmond Jewish Foundation 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. The Foundation will comply with the Model

Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

V. ***Restrictions on Gifts*** The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Foundation 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 (or trust document if Foundation is established under trust), gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee of the Foundation. Potential gifts of $100,000 (one hundred thousand dollars) or more, from new donors or for new purposes or if otherwise appropriate, shall be reviewed by the President of Richmond Jewish Foundation, the Treasurer of Richmond Jewish Foundation and the Executive Director of Richmond Jewish Foundation, to determine if the matter should be referred to the Gift Acceptance Committee.

VI. ***The Gift Acceptance Committee*** The gift acceptance committee shall consist of: - The Foundation's President, Treasurer, two members of the Executive Committee appointed by the President, two members of the Marketing Committee appointed by the Marketing Chair (or, if applicable, two members of the Development Committee appointed by the Development Chair) or appointed by the Vice President, and such other members as may be appointed by the President of the Foundation. Those appointed to the Gift Acceptance Committee shall, whenever possible, include those with expertise in law, real estate, investments, insurance, financial planning, accounting or an otherwise useful background. The Executive Director shall serve as an Ex-Officio member. The Gift Acceptance Committee is charged with the responsibility of reviewing certain gifts made to Richmond Jewish Foundation, properly screening and accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate. Criteria for which gifts shall be referred to the Committee, and which shall not, are defined in this policy.

VII. ***Types of Gifts***

A. **Generally -** The following gifts may be acceptable:

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

15. Partnership Interests
16. Patents, Copyrights and Royalties

B. **Criteria for Acceptance -** The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash is acceptable in almost any form. Checks shall be made payable to The Richmond Jewish Foundation and shall be delivered to a Foundation employee to which gift should be delivered in the Foundation's administrative offices. The Foundation will not accept gifts of less than $1,000 (one-thousand dollars) by credit card. Donors who pay by credit card shall be charged a transaction processing fee equivalent to the amount or percentage paid by the Foundation for such transactions, to the extent permitted by law.

2. **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:
   - Does the property fulfill the mission of the Foundation?
   - 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 other tangible property gifts shall be made by the Gift Acceptance Committee of the Richmond Jewish Foundation.

3. **Securities:** The Foundation 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 unless otherwise directed by the Investment Committee. 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 Gift Acceptance Committee of the Richmond Jewish Foundation.

   - **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 Gift Acceptance Committee of the Foundation. However, gifts must be reviewed prior to acceptance to determine that:
     - There are no restrictions on the security that would prevent Richmond Jewish Foundation from ultimately converting those assets to cash,
     - The security is marketable, and
     - The security will not generate any undesirable tax consequences for the Foundation. If potential problems arise on 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 Gift Acceptance Committee of the Richmond Jewish

Foundation and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

The donor must provide copies of shareholder buy/sell agreements, and prepare the documents necessary to transfer the stock to the Foundation. In order for the donor to avoid having the IRS view said gift as a taxable event, there must not be any agreement that the Foundation is required to redeem the stock upon receipt. Charities are eligible to own "S" corporation stock directly; charitable remainder trusts, however, are not eligible. Unlike many sellers of closely held stock, the Foundation will not execute indemnification agreements and will not participate in the issuance of warranties and representations. There shall be no distribution from any portion of funds backed by non-marketable securities that have not been made liquid.

- **Israel Bonds**: The Foundation will accept State of Israel Bonds as charitable contributions to endowment funds and will acknowledge such contributions on the date of assignment. If the Israel Bond has matured for a period of at least three years, then the Foundation will provide the donor with an assignment form to transfer ownership to the Foundation.

4. **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 Foundation shall require the potential donor to obtain and provide a current initial environmental review of the property to ensure that the property has no environmental damage. The Foundation will not accept gifts of real estate with a fair market value of less than $25,000 (twenty-five thousand dollars). Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, then, with the donor's consent, Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor. When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this title binder shall be an expense of the donor. Prior to acceptance of the real property, the gift shall by approved by the Real Estate Committee, Gift Acceptance Committee of the Foundation and by the Foundation's legal counsel.

   Review criteria for potential acceptance of the property shall include:

   - Is the property useful for the purposes of the Foundation?
   - 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 a current environmental audit reflect that the property is not damaged?

5. **Remainder Interests In Property**: The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4. 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, the Foundation may use the property or reduce it to cash. Where the Foundation 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.

6. **Oil, Gas, and Mineral Interests:** The Foundation may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the Foundation's 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 the Foundation has no current or potential exposure to environmental liability.

7. **Bargain Sales**: The Foundation will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Foundation. All bargain sales must be reviewed and recommended by the Gift Acceptance Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:
    - The Foundation must obtain an independent appraisal substantiating the value of the property. □□if the Foundation assumes debt with the property; the debt ratio should be less than 50% of the appraised market value.
    - The Foundation 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.
    - The Foundation must calculate the costs to safeguard, insure,maintain, safeguard and expense the property (including property tax, if applicable) during the holding period.

8. **Life Insurance:** Richmond Jewish Foundation must be named as both beneficiary and irrevocable owner of an insurance policy (or a commercial annuity) before a life insurance policy (or a commercial annuity) can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation 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, the Foundation may: □□continue to pay the premiums, □□convert the policy to paid-up insurance, or □surrender the policy for its current cash value.

9. **Charitable Gift Annuities**: Richmond Jewish Foundation may offer charitable gift annuities. The minimum gift for funding is $10,000. Richmond Jewish Foundation's President may make exceptions to this minimum. 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. Annuity payments may be made on a quarterly, semi-annual, or annual schedule. Richmond Jewish Foundation President may approve exceptions to this payment schedule. Richmond Jewish Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. Richmond Jewish Foundation 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 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the President of Richmond Jewish Foundation approves the arrangement. Funds contributed in exchange for a gift annuity shall be set aside and invested 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 Richmond Jewish Foundation's general endowment funds, or to such specific fund as designated by the donor.

10. **Charitable Remainder Trusts**: The Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee of the Foundation. The minimum gift to establish a Charitable Remainder Trust shall be $100,000 (one-hundred thousand dollars.)

11. **Charitable Lead Trusts**: The Foundation may accept a designation as income beneficiary of a charitable lead trust. The minimum gift to establish a Charitable Lead Trust shall be $100,000 (one-hundred thousand dollars.)

12. **Retirement Plan Beneficiary Designations**: Donors and supporters of Richmond Jewish Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans or annuities. Such designations will not be recorded as gifts to the Foundation 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.

13. **Bequests**: Donors and supporters of Richmond Jewish Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the Foundation 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. The Foundation would welcome a copy of any documents that name the Foundation as a beneficiary.

14. **Life Insurance Beneficiary Designations**: Donors and supporters of Richmond Jewish Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. 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.

15. **Partnership Interests**: The Foundation generally will not accept gifts of general partnership interests. Partnership interests in Limited Liability Companies (LCC) or

family limited partnerships are reviewed to determine the underlying assets and liabilities, the activity of the partnership, how allocations are made and the liquidity of the Foundation's potential interest. The Foundation will not accept general or limited partnership interests that subject it to cash calls or other liabilities that have adverse tax consequences. The Foundation can't be a partner if its role as such inhibits its charitable purpose either because of insufficient insulation from day-to-day responsibilities as a general partner or because the other partners are receiving an undue economic benefit.

16. **Patents, Copyrights and Royalties**: The donor must provide a copy of the patent documentation and proposed assignment. In order to receive a charitable deduction for its fair market value, the donor must assign his or her entire interest in the patent. For tax purposes, the inventor may be required to treat a patent as a capital asset. Payments under the patent are not treated as Unrelated Business Income to the Foundation.

    The donor must provide a copy of the copyright agreement and proposed assignment. Under most circumstances, an author's or an artist's deduction will be limited to his or her basis in a manuscript, work of art or copyright. In order to avoid having to pay income tax on royalty payments, a donor must assign both the royalty payments and the copyright from which the payments flow. Royalty payments are not treated as Unrelated Business Income to the Foundation.

VIII. *Miscellaneous Provisions*

A. **Securing appraisals and legal fees for gifts to the Foundation:** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Foundation.

B. **Valuation of gifts for development purposes:** The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of gift.

C. **Responsibility for IRS Filings upon sale of gift items:** The Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than $5,000. The Foundation 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 the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of the Foundation.

    IRS Publication 561 ***Determining the Value of Donated Property*** and IRS Publication 526 ***Charitable Contributions*** are attached to these policies as an Appendix.

E. **Agreement** - These policies shall be interpreted to be consistent with the By-Laws, Amended Articles of Incorporation, the Investment Policy and the Conflict of Interest Policy of Richmond Jewish Foundation.

IX. ***Minimum Gift Amounts*** A gift to an existing fund may be made in any amount. There shall be no Maximum Gift Amount. Gifts to establish a new Donor Advised Fund, Field of Interest Fund, Restricted Purpose Fund or other endowment, shall be $10,000 (ten thousand dollars). Such funds shall be payable at the time that fund agreements are signed. However upon request and at the discretion of the Gift Acceptance Committee, they may be funded over a three year period. A minimum contribution to establish a Charitable Gift Annuity shall be $10,000 (ten thousand dollars). The minimum fair market value of a gift of real estate shall be $25,000 (twenty-five thousand dollars.) A minimum gift to establish a Charitable Remainder Trust or Charitable Lead Trust shall be $100,000 (one hundred thousand dollars). A minimum gift to establish a Supporting Foundation shall be $500,000 (five hundred thousand dollars).

X. ***Recommendations of Limited Waivers*** The Gift Acceptance Committee of the Richmond Jewish Foundation may recommend to the Foundation the temporary, exclusive or otherwise limited waiver of these policies and guidelines, for good cause shown.

XI. ***Changes to Gift Acceptance Policies*** These policies and guidelines have been reviewed and accepted by the Gift Acceptance Committee of the Richmond Jewish Foundation. The Gift Acceptance Committee of the Richmond Jewish Foundation must approve any changes to or deviations from these policies. Approved on the 21st day of September, 2006. President, Board of Directors, the Richmond Jewish Foundation

ATTACHMENTS

I. Model Standards of Practice of the Charitable Gift Planner
II. Environmental Review Forms
III. IRS Form 8282 and Instructions
IV. IRS Publication 561 Determining the Value of Donated Property
V. IRS Publication 526 Charitable Contributions