GIFT ACCEPTANCE POLICY

Gift Acceptance

The Board of Directors (the “Board”) establishes and oversees the Foundation’s gift acceptance and fund administration policies and retains the ultimate responsibility for determining the types of gifts the Community Foundation will accept. The President and CEO, or designated Staff, administers this Policy and may accept gifts that comply with its terms.

Before a completed gift is accepted, the Community Foundation will confirm, as applicable, that the contribution will be irrevocable and subject to the Community Foundation’s exclusive legal control and variance power. It will also be confirmed that no goods or services, or more than incidental benefits, are provided to the donor in exchange, with any quid pro quo valued and disclosed in the acknowledgment. All gifts and any restrictions must be consistent with the Community Foundation’s charitable mission and governing documents. Beneficiary designations, bequests, and other revocable planned gifts are not treated as completed gifts until the Community Foundation receives the assets. Any gift raising concerns under this Policy will be referred to the President and CEO or the Board, and may be declined.

Gifts not adequately addressed by this Policy, gifts presenting unusual legal, tax, financial, investment, reputational, or other risk, and gifts specifically identified below as requiring Board approval shall be referred to the Board. The Board may refuse any offered gift that it determines is not in the best interest of the Community Foundation or does not provide an appropriate charitable benefit.

Legal and Financial Considerations

The Community Foundation and any prospective donor considering a gift should be fully advised of the legal and tax implications of the transaction. Before making any gift, prospective donors should be urged to review the transaction with trusted legal or financial advisors.

Confidentiality

Information concerning donors or prospective donors will be treated as confidential in accordance with the Community Foundation’s Confidentiality Policy, applicable privacy practices, and legal requirements. Information may be disclosed as reasonably necessary to evaluate, accept, administer, acknowledge, invest, or report a gift, or as otherwise required by law.

Fund Establishment

The President and CEO, or designated Staff, may establish funds using Board-approved fund agreements and procedures. The Board will review any proposed fund containing unusual restrictions, obligations, or legal or financial risk. The fund shall further charitable purposes, be subject to the Community Foundation’s exclusive legal control and variance power (as applicable), and comply with the Community Foundation’s governing documents and policies.

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Minimum initial contributions and other fund requirements are established in the applicable fund agreement or current fee schedule. The current Donor Advised Fund Policy provides for a $25,000 minimum initial contribution. Other fund minimums may vary by fund type and may be changed by the Community Foundation.

Outright Gifts

Routine gifts of cash and unrestricted publicly traded securities may be accepted by the President and CEO or designated Staff without separate Board approval. Board review is based on the type and circumstances of the gift, not on a general dollar threshold. The Board must approve the acceptance of illiquid or unusual assets as described below, including closely held business interests, tangible personal property, real estate, retained life estates, bargain sales, contributed life insurance policies, and other property that is not readily marketable or that may expose the Community Foundation to material obligations or risk. The Community Foundation must ensure the illiquid gift provides a charitable benefit to the Community Foundation before accepting it.

Gifts of Cash

Gifts of cash may be made by check, credit card, wire transfer, or other methods approved by the Community Foundation. Routine cash gifts do not require separate Board review or approval.

Marketable Securities

Publicly traded securities (stocks, bonds, mutual funds, and exchange-traded funds) may be gifted to the Community Foundation. Because such securities fall outside of the Community Foundation's Investment Policy, all publicly traded securities will be liquidated upon acceptance or as appropriate given the size of the holding and market liquidity. Liquid securities will generally be sold within three trading days of receipt, with case-by-case handling if there are prior sale commitments or outstanding tender offers.

Publicly traded securities that are restricted, subject to a prior sale commitment or tender offer, unusually concentrated, or otherwise present legal, tax, or investment concerns will be reviewed before acceptance. The donor is responsible for disclosing any known restrictions, prior commitments, or outstanding tender offers. Management may consult the Investment and Finance Committee, legal counsel, or other advisors as appropriate, and will refer any gift presenting material or unusual risk to the Board.

Donors will indicate the fund to which their gift of marketable securities should be donated (the "Receiving Fund"). The Community Foundation will recognize the gift in the Receiving Fund at fair market value on the date of receipt. For stocks, this is generally the average of the high and low trading price on the date of receipt times the number of shares received. For funds and bonds, this is generally the closing NAV or price on the date of receipt times the number of units received. The Receiving Fund will then be allocated any transaction costs associated with the liquidation of the securities, including commissions, and any loss or gain in market value between the date of receipt and the final liquidation.

The Community Foundation will acknowledge all gifts of marketable securities according to IRS guidelines. The acknowledgment will include the gift details, including the date of receipt and a description of the securities received. The donor is responsible for calculating the value of their tax deduction relating to the contribution.

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The value of the deduction will depend upon the holding period and other issues known only to the donor and their tax advisor.

Cryptocurrency and Digital Assets

The Community Foundation accepts gifts of cryptocurrency through a third-party processing platform approved by the Community Foundation. Cryptocurrency received through the platform is converted to cash upon receipt and the net proceeds transferred to the Community Foundation. The Community Foundation does not hold, custody, or invest in cryptocurrency. The Receiving Fund will be credited with the net cash proceeds after any transaction costs. The donor is responsible for their own tax reporting, including any qualified appraisal required to substantiate a deduction. Cryptocurrency gifts made through the approved platform are treated as routine gifts and do not require separate Board approval. Cryptocurrency offered outside the platform, or presenting unusual size, source, or legal concerns, will be referred to the President and CEO or the Board.

Illiquid and Unusual Assets

Illiquid and unusual assets include closely held business interests, real estate, tangible personal property, contributed life insurance policies, retained life estates, bargain sales, restricted securities, and other assets that cannot readily be converted to cash or that may create material obligations or risk. Before accepting illiquid or unusual assets, the Community Foundation will conduct due diligence appropriate to the asset and determine that the expected net charitable benefit to the Community Foundation justifies the costs, liabilities, holding period, and administrative burden associated with the gift.

The review will consider marketability, valuation, restrictions, carrying and disposition costs, legal and tax consequences, environmental or other liabilities, reputational concerns, consistency with the Community Foundation's mission and governing documents, and consistency with the Investment Policy Statement. As part of this review, the Community Foundation must ensure the illiquid gift provides a charitable benefit to the Community Foundation before accepting it. Illiquid or unusual assets require Board approval before acceptance unless this Policy expressly provides otherwise.

Closely Held Stocks and Other Business Interests

Gifts of closely held stock, limited partnership interests, limited liability company interests, and other business interests require Board approval before acceptance. The Board will consider transfer restrictions, marketability, expected holding period, capital calls or other liabilities, unrelated business taxable income, excess business holdings rules, and other legal, tax, financial, or reputational consequences. Such interests generally will be accepted only when the Community Foundation can dispose of the interest within a reasonable period and the expected charitable benefit justifies the costs and risks of acceptance. Acceptance and disposition will also comply with the IPS concentration limits; if a contributed interest causes the Community Foundation to exceed the IPS limit on ownership of an issuing company, efforts to dispose of the excess holding will begin as soon as practical in a manner intended to protect the charitable value of the gift.

The Community Foundation will not accept a business interest that would require it to make capital contributions or assume other material liability unless the Board expressly determines that the expected charitable benefit justifies the obligation and the acceptance is permitted by applicable law and the Investment Policy Statement. Contributions of S Corporation stock require review because of potential tax consequences. Royalty interests may be considered; working interests will not be accepted.

When a proposed sale or redemption is anticipated, the Community Foundation will retain independent control over whether, when, and on what terms to sell the contributed interest. It will not accept a gift subject to a binding prearranged sale that would be inconsistent with applicable law.

The Community Foundation will not establish or corroborate the value of contributed property for purposes of substantiating a donor's charitable deduction. If a subsequent sale requires a purchase agreement, the Community Foundation will determine whether representations, warranties, indemnities, or other obligations are appropriate and will not assume obligations that expose it to unacceptable liability.

Life Insurance

Life insurance policies can also be used as charitable gifts. There are various ways a life insurance policy may be contributed to The Community Foundation. A donor may:

- Irrevocably assign a paid-up policy to the Community Foundation.
- Irrevocably assign a life insurance policy on which premiums remain to be paid if the Community Foundation is owner and beneficiary.
- Name the Community Foundation as a primary or successor beneficiary of the proceeds.
- Establish a new life insurance policy with the Community Foundation as the applicant, owner, and beneficiary.

A contributed life insurance policy requires Board approval before acceptance. The Board will evaluate the policy, insurer, premium obligations, surrender value, restrictions, and expected charitable benefit to the Community Foundation and the community.

The Community Foundation will not accept any gift of a life insurance policy unless a "guarantee analysis" is available and provided it is under no prearranged obligation to expend its assets to maintain the policy. No portion of the proceeds may be paid to anyone or any organization that is not qualified as a tax-exempt entity under IRS Code § 501(c) (3). The Community Foundation must have the unrestricted right to fully exercise its powers as the owner, including the power to surrender, select payment options, designate beneficiaries, and withdraw or borrow cash values.

If premiums remain due, the donor is expected to make additional gifts sufficient to pay the premiums or authorize the Community Foundation to surrender or otherwise modify the policy. The Community Foundation is not obligated to use its own unrestricted assets to pay premiums. Any exception requires Board approval.

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The Community Foundation will not participate in split dollar or reverse split dollar plans, or other partial interest programs. Any charitable insurance program, such as those promoted by the life insurance industry or individual insurance agent(s), shall be entered into only after a thorough explanation has been provided to the Board of Directors and the Board has voted to proceed with the program.

Retirement Plans

A donor may name the Community Foundation as beneficiary of all or part of an IRA, Keogh plan, 401(k), 403(b), or other qualified retirement plan. A beneficiary designation does not require Board approval. Upon receipt, the assets will be reviewed and accepted under the provisions of this Policy applicable to the asset received. Unusual or restricted assets will be referred for the approval otherwise required by this Policy.

Real Estate or Other Tangible Personal Property

The Community Foundation's ability to accept real estate or other tangible property gifts depends on several factors, including the potential benefit to the Community Foundation and the community. The Board will determine acceptance of real estate and other tangible personal property on a case-by-case basis. Real estate may include, but is not limited to, the following forms: a residence, vacation home, ranch, or land.
Guidelines include:

1. The donor generally will be responsible for obtaining any qualified independent appraisal required for the donor's tax reporting. The Community Foundation may obtain its own valuation, inspection, or other due diligence when necessary to evaluate the gift.

2. In general, all associated expenses of a gift of property to the Community Foundation should be borne by the donor, unless otherwise approved by the Board.

3. The Community Foundation will require satisfactory evidence of title and may require a title search, title insurance, survey, or other documentation appropriate to the property. Unless otherwise approved by the Board, the donor will bear related costs.

4. For real property, the Community Foundation will require an appropriate environmental review, ordinarily including a Phase I environmental assessment, before acceptance. The Community Foundation will not accept property with unacceptable environmental liability unless the condition is satisfactorily remediated and the Board determines that acceptance will not expose the Community Foundation to unacceptable liability.

5. Encumbered or mortgaged property generally will not be accepted as an outright gift. The Board may approve an exception only after considering the amount and terms of the debt, marketability, tax consequences, carrying costs, and whether the expected charitable benefit justifies assumption of the liability.

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6. Mortgaged property shall not be accepted for a charitable remainder trust unless the trust would not be disqualified and the income from the property is sufficient to cover all liabilities.

7. If a donor wants to give real estate and retain income, a “net-income”, “net-income with make-up provision”, or a “Flip” charitable remainder unitrust is the preferred instrument. Usually, real estate will not be accepted for a charitable remainder annuity trust or a charitable gift annuity.

8. The Community Foundation will not manage real property, and the property must be readily marketable.

<u>Retained Life Estate</u>
A retained life estate is created when a donor transfers a remainder interest in a personal residence, farm, or other qualifying property to the Community Foundation while retaining use of the property for life or a term of years. The donor ordinarily remains responsible for real estate taxes, insurance, utilities, maintenance, and other agreed expenses. Each retained life estate requires Board approval and is subject to the applicable real estate due diligence requirements above.

<u>Bargain Sale</u>
A sale of property or securities to the Community Foundation for less than fair market value, with the difference treated as a charitable contribution to the extent permitted by law, is a bargain sale. Each bargain sale requires Board approval. Before approval, the Community Foundation will obtain or review an appropriate independent valuation and evaluate marketability, debt, carrying costs, tax consequences, funding requirements, and the expected charitable benefit. Ordinarily, the purchase price will not exceed 60 percent of the property’s appraised value.

A transfer of mortgaged property may be treated as a bargain sale because relief of indebtedness may constitute consideration. The donor will be urged to consult their own tax advisor regarding potential tax consequences.

The Community Foundation will enter into a bargain sale only when the transaction furthers a charitable purpose, and the expected charitable benefit justifies the financial and administrative obligations involved. The applicable real estate requirements above also apply when real estate is involved.

<u>Planned Gifts</u>
The Community Foundation may accept planned gifts, including bequests, beneficiary designations, charitable gift annuities, charitable remainder trusts, and charitable lead trusts. Planned gifts may support charitable and estate-planning objectives and, depending on the arrangement, may provide income to a donor or other beneficiary.

<u>Bequests</u>
Through a will or revocable trust, a donor can name the Community Foundation as the direct beneficiary of identified assets, to receive a portion of the donor’s estate, or to receive a residual estate after the donor’s loved ones have been provided for.

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Charitable Gift Annuity

A charitable gift annuity is a contract between the Community Foundation and the donor whereby the Community Foundation agrees to pay the donor (and/or other person named by the donor) a lifetime annuity in return for a gift of cash, securities, or other property. The payment may continue for the life of a second individual, such as a spouse. The annual payment is a fixed sum based on the size of the gift and the number and ages of the beneficiaries.

Upon the donor's death, the remainder of the gift can be designated directly to the Community Foundation as unrestricted funds, a donor-advised fund, or a field-of-interest fund. Gift annuities issued in the donor's state of

residence must comply with that state's law and meet the disclosure requirements under the Philanthropy Protection Act of 1995.

Guidelines include:

1. The minimum amount for accepting an annuity agreement is $100,000.

2. Annuity rates should never exceed the suggested rates recommended by the American Council on Gift Annuities.

3. Agreements shall be limited to two lives. In most instances, the minimum age to fund and receive income payments for the immediate payment gift annuity will be 60. The minimum age to fund deferred gift annuities shall be 50. The minimum age for income payments shall be 60 or later.

4. Community Foundation staff and/or agents and advisors hired by the Community Foundation may manage gift annuities.

5. Gift annuities must comply with applicable state laws.

6. The Community Foundation prefers to provide quarterly payments to gift annuity donors.

Charitable Remainder Trust

A charitable remainder trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named beneficiary(ies) either for life or for a term of years (not exceeding 20), whereupon the remaining trust assets are distributed to one or more charities.

A charitable remainder annuity trust pays a fixed amount (at least five percent) of the original fair market value of the assets initially contributed to the trust. This amount does not change, and no additional gifts may be made to the annuity trust after its creation. Payments made in any one year by a charitable remainder annuity trust to individual beneficiaries may not exceed 50 percent of the initial fair market value of the trust.

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A charitable remainder unitrust pays a fixed percentage (at least five percent) of the fair market value of trust assets, as valued annually. Because the value of assets can be expected to change from year to year, the unitrust payment will vary in amount each year. Additional contributions may be made to the trust after it is established. Payments made in any one year by a charitable remainder unitrust to individual beneficiaries may not exceed 50 percent of the fair market value of the trust on the most recent valuation date. The present value of the Community Foundation's remainder interest in the charitable remainder unitrust must equal 10 percent (or more) of the initial fair market value of the trust. This rule also applies to additions to existing charitable remainder unitrusts.

There are three traditional varieties of a unitrust. A "straight" unitrust pays the stipulated amount, even if it is necessary to invade principal to do so. A "net-income" unitrust pays the lesser of the stipulated amount or the actual net income so that the principal is not invaded. A "net-income with make-up provision" unitrust is similar to the net income unitrust except that excess earnings can be applied to cover accrued deficiencies that result from the net income being less than the stipulated amount. A newer variety, the "Flip" unitrust, should be considered for trusts funded with real estate or family corporations that the donor anticipates will be sold during the term of the trust.

Other guidelines include:

1. The Community Foundation will not serve as sole trustee or co-trustee of a charitable remainder trust. The Community Foundation may work with an appropriate financial institution or other qualified trustee.

2. The portion of the remainder contributed to the Community Foundation must be irrevocable and at least 50 percent of the amount contributed must be designated to the Community Foundation's unrestricted fund.

3. The Community Foundation recommends that beneficiaries be age-appropriate unless the trust is for a term of years.

4. The Community Foundation recommends limiting the number of beneficiaries to two where payments are to be made for the life of the beneficiaries.

5. Ordinarily, the Community Foundation will not accept responsibility for a charitable remainder trust instrument that is or will be funded with the following assets:
    - encumbered real estate
    - margined securities
    - sole proprietorships
    - limited partnerships
    - working interests in oil and gas fields
    - general partnership interests

Charitable Lead Trust

A charitable lead trust is a trust in which the income, or "lead" interest, is paid to the Community Foundation, and the "remainder" interest is given to one or more non-charitable beneficiaries, who could be either the donor or family members. The amount paid to the Community Foundation is either a fixed sum (an "annuity trust" interest) or a percentage of trust assets as valued each year (a "unitrust" interest).

Guidelines include:

1. The Community Foundation will not serve as sole trustee or co-trustee of a charitable lead trust. The Community Foundation will work with a financial institution to become the trustee.

2. The trust term is subject to the approval of the Community Foundation or other trustee.

Excess Business Holdings

Under the Pension Protection Act of 2006 (PPA), the private foundation Excess Business Holdings rules now apply to donor advised funds as if they were private foundations. That is, the holdings of a donor advised fund in a business enterprise, together with the holdings of persons who are disqualified persons concerning that fund, may not exceed any of the following:

- Twenty percent of the voting stock of an incorporated business
- Twenty percent of that profits interest of a partnership or joint venture of the beneficial interest of a trust or similar entity

Ownership of a sole proprietorship that is not substantially related to the fund's purposes is also prohibited.

Donor advised funds receiving gifts of interests in a business enterprise after the date of the PPA's enactment (August 17, 2006) will have five years to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. Funds that currently hold such assets will have a much longer period to divest under the same complicated transition relief given to private foundations in 1969.

Divestiture is consistent with the policy of the Community Foundation to divest any gifts of stock, publicly traded or private, as soon as is practicable without unduly affecting the ultimate realized value of the asset.

Business Enterprise

A "business enterprise" is the active conduct of a trade or business, including any activity that is regularly carried on to produce income from the sale of goods or the performance of services. Specifically excluded from the definition are:

- Holdings that take the form of bonds or other debt instruments unless they are a disguised form of equity
- Income from dividends, interest, royalties, and from the sale of capital assets
- Income from leases unless the income would be taxed as unrelated business income

- "Functionally related" businesses and program-related investments
- Businesses that derive at least 95 percent of their income from passive sources (dividends, interest, rent, royalties, capital gains). This will have the effect of excluding gifts of interest in most family-limited partnerships and other types of holding company arrangements

Disqualified Person

Donors and persons appointed or designated by donors are disqualified persons if they have – or reasonably expect to have advisory privileges with respect to the donor advised fund by virtue of their status as donors. Members of donors' and advisors' families are also disqualified, but the section does not define "family" and does not cross-reference either §4958 or §4946 for the definition. Finally, the term includes 35-percent-controlled entities as defined in §4958(f)(3).

Donor Advised Funds and Excess Business Holdings

The Community Foundation shall administer donor advised funds in accordance with applicable federal tax law governing excess business holdings, including Internal Revenue Code §4943. The Community Foundation will monitor business interests held in donor advised funds and take appropriate action to prevent or correct excess business holdings within the time periods permitted by applicable law.

The Community Foundation will identify and monitor any new gift to a donor advised fund of any interest qualifying as an "excess business holding" under the PPA. The Community Foundation will exercise its best effort to dispose of the contributed interest at the best possible price within five years of the date of the gift, as required under the PPA. In any event, the Community Foundation will dispose of any excess business holding before the five-year time limit, except if the Treasury Department grants an additional five-year holding period. The Community Foundation will notify potential donors of this requirement before contributing such interest.

Approved by the Board of Directors on 09/15/2026.

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