



Gift Acceptance Policy

PURPOSE

The purpose of this policy is to advance Tahoe Truckee Community Foundation’s (“Foundation”) mission to bring together trusted partners to align strategies and inspire philanthropy to nurture a resilient community and environment. Donors who support the Foundation’s component funds, programs and initiatives through charitable gifts align with this mission, as well as the Foundation’s [Equity and Inclusivity Value Statement](#). Given the increasing complexity of IRS regulations, as well as the greater variety in sources of funding, the Foundation must carefully screen proposed gifts. By providing guidelines for negotiating and accepting various types of gifts for multiple different funds, this policy is designed to serve the best interests of the Foundation, while transparently communicating to donors its responsibilities and limitations. Each gift to the Foundation should be structured to provide maximum benefits to the community, the beneficiaries of the Foundation’s charitable programs and activities, the donor, and the Foundation itself. In addition, the Foundation Board and staff must be able to ensure that gifts accepted do not place other assets of the Foundation at risk, and that they can be easily converted into assets that fall within the Foundation’s investment guidelines. The Foundation must also ensure that it can reasonably administer the terms of the gift in accordance with the donor’s wishes.

SCOPE

These policies address both current and deferred gifts, with an emphasis on specific types of deferred gifts and gifts of non-cash property. The goal is to enable financial support for the Foundation without encumbering it with gifts which either generate more cost than benefit, or which may be restricted in a manner that is not in keeping with the Foundation’s charitable purposes or applicable laws governing charitable gifts. These policies also describe the types of funds that the foundation maintains.

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

TTCF's COMMITMENT TO DONORS

The Foundation is committed to the highest ethical standards of philanthropy and development. In all transactions between potential donors and the Foundation, the Foundation will aspire to provide accurate information and full disclosure of the benefits and liabilities that could influence a donor's decision. This includes the Foundation's fees and responsibilities to its donors, as well its investment and financial policies. All donors are strongly encouraged to discuss their gifts with their own financial and tax advisors before signing any gift agreement.

The Foundation recognizes the paramount role of donors and their gifts to the Foundation in executing its charitable mission. In carrying out the Foundation's development program, staff will recognize and acknowledge donors in appropriate ways, both publicly and privately, subject to the foundation's applicable policies and the donors' wishes. Donors reserve the freedom to determine the degree and type of recognition that they prefer and the Foundation respects the confidentiality of donors who do not wish to be publicly recognized.

To assure that the Foundation's donors and prospective donors can have full confidence in the Foundation and the nonprofit organizations, programs, and initiatives it supports, we endorse the following industry standard [Donor Bill of Rights](#).

FOUNDATION RESPONSIBILITIES

The Foundation is vested with ultimate authority and control over the principal and income of each Fund. The Foundation staff will disclose to all prospective donors the benefits and liabilities that could reasonably be expected to influence the donor's decision to make a gift to the Foundation. Donors are encouraged to consult with legal counsel and financial advisors in making their decision. In particular, donors should be made aware of:

- **the irrevocability of a gift.** In order to receive the tax benefits and protections, donors legally remove all of their rights of ownership to the assets and the trust. Irrevocable trusts cannot be modified, amended, or terminated without the permission of the grantor's beneficiary or by the order of a court.
- **prohibitions on donor restrictions.** A donor is prohibited by the regulations governing community foundations from placing any "material restriction" on a gift. In other words, no condition that prevents the Foundation from using contributed assets, or the income derived therefrom, to further its charitable purposes is allowed.

- **items subject to variability.** While the Foundation commits to serve as a prudent steward of donors' contributed funds, donors acknowledge the potential and likelihood of variability through the life of investment, including market value, investment return, and income yield.
- The Foundation's **responsibility to provide periodic financial statements on donor funds.** The Foundation will provide all active donors and fund holders with fund statements on a quarterly basis and as requested by the donor.

The role of the Foundation staff is to inform, guide and assist a donor in fulfilling his or her philanthropic wishes, but never to pressure or unduly influence a donor's decision.

Gifts Shall Follow Donors' Intent

Grants will be made from each Fund consistent with the recommendation given by the donor at the time the Fund was established. Donors' recommendations that are contrary to the Articles of Incorporation, Bylaws, or Procedures will be avoided by not accepting a gift. However, if donor recommendations become contrary due to any policy changes after a gift is accepted, the Foundation's Board of Directors shall modify the direction to the degree necessary for compliance with the updated policies, while remaining as consistent with the donors' charitable interests as is practical and feasible.

Variance Power

Sometimes a fund just doesn't work anymore. Scientists discover a cure for polio. A charitable organization goes out of existence. The Foundation has the ability to address these situations through its variance power. This power gives the Foundation's board the ability to make changes to a fund when its purpose is no longer necessary, can no longer be fulfilled, or has become inconsistent with the charitable needs of the community. This power to update funds helps protect donors by avoiding the need for complex and costly legal proceedings.

The Foundation's Board of Directors is responsible for policy-making and oversight of the Foundation's operations. The Foundation bylaws give the Board of Directors the power to modify fund restrictions and conditions. This *variance power* states that the Foundation's Board of Directors can modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations, if in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable goals of the mission.

The Foundation may also use this variance power to remove public recognition of any donor whose public reputation may cause damage to the Foundation, and/or any of its associated Board, staff, programs, initiatives, or grantees.

FOUNDATION SUPPORT FEE SCHEDULE

The Foundation charges administrative fees to cover general operating costs for gift establishment, receipt of assets and contributions, grants and fund administration, research on nonprofit agencies and issue areas, and its other charitable purposes. [The Foundation's fee schedule can be viewed here.](#) Investment management and consulting fees related to the Foundation's investment pool are charged separately and captured before earnings are posted to funds.

FORMS OF GIFTS TO THE FOUNDATION

Guidelines on Assets Used to Make Gifts

Gifts to the Foundation take on a variety of forms. Many are outright gifts by living donors, either on a one-time or recurring basis. Others are planned gifts or "Legacy Gifts" that take effect upon a donor's death or other forms of deferred gifts. It is generally the Foundation's policy to convert all gifts to cash as soon as possible.

Purpose of Gifts

The purpose of each gift to the Foundation must fall within the Foundation's broad charitable purposes. The Foundation cannot accept any gift that will be directly or indirectly subject to any material restriction or condition by the donor that prevents the Foundation from freely and effectively employing the gift assets or the income from such assets to further its charitable purposes. In addition, the Foundation reserves the right to reject any gift that might place the other assets of the Foundation at risk or that is not readily convertible into assets that fall within the Foundation's investment guidelines. The Foundation may also decline a gift if it is not able to administer the terms of the gift in accordance with the donor's wishes, or if the gift may require effort that is not commensurate with the benefit of the gifts, as determined by the Foundation's CEO and/or Board.

Gifts Not Requiring Board Review

- Cash or cash equivalents
- Marketable (Publicly-Traded) Securities and Bonds
- Gifts of personal property, under \$5,000 for use in Foundation offices or programs
- Life insurance policies *-except as noted below*
- Simple Bequests clearly aligned with the Foundation's mission

- Retirement Plan Assets
- Charitable Remainder Trusts

Gifts Requiring Board Review (including, but not limited to):

- Closely-held C corporation and S corporation stock
- LLC and LLP interests
- Partnership interests including but not limited to:
 - Non-publicly traded investment funds
 - Real Estate Investment Trusts
 - Private Equity
 - Private Lending/Credit
 - Hedge Funds
- Mineral interests
- Life insurance policies requiring future premium payments by the Foundation
- Real estate/Real property
- Tangible personal property that is not readily marketable
- Intangible property (gifts of intellectual property)
- Accounts receivable (gifts of loans, notes, mortgages)
- Cryptocurrency
- Gifts whose structure fall outside the ordinary purposes, bylaws, and procedures of the Foundation

GIFTS DECLINED

The Foundation reserves the right to refuse any gift it believes is not in the best interests of the Foundation.

In our current era, information on any individual or entity that once was commonly kept private is now increasingly displayed in public forums. This accessibility presents the potential for heightened scrutiny of individual donations to community foundations. To guide difficult decisions, the Foundation's staff and Board members should ultimately weigh the potential associated risks of accepting a donation with the potential impact the investment can have on the community. The following questions should be considered:

- Will accepting the donation likely lead to other prospective donors deciding not to donate to the Foundation?
- Will the donation enhance the Foundation's ability to deliver on its mission and strategy?
- Is the donor asking the donation to be connected to an issue directly related to any questionable behavior or occurrence?

- Is the donor willing to structure the donation in a way that maximizes community impact and minimizes the potential for reputational or financial risk to the Foundation?

When the potential donation is coming from an entity:

- Is the direct leadership of the giving entity aligned with the values of the Foundation?
- Does the entity have a history of partnership that demonstrates a track record of values alignment?

In addition, the Foundation will not knowingly accept a charitable gift if there are concerns that the donor:

- Has insufficient income and assets remaining after making a gift to provide for their needs such as personal support and healthcare.
- Has insufficient income and assets remaining after the gift to provide for their heirs for whom they are fiscally responsible.
- Has an apparent insufficient mental capacity to make a rational decision.
- Has insufficient input from competent financial, legal, and/or personal counsel.

RESTRICTIONS ON GIFTS

The Foundation will accept unrestricted gifts, and gifts for specific programs, initiatives, and purposes, provided that such gifts are consistent with its stated mission to connect people and opportunities, generating resources to build a more caring, creative, and effective community.

The Foundation will not accept gifts that are too restrictive, inappropriate in their purpose, or if the donor specifies conditions that may require effort that is not commensurate with the benefit of the gifts, as determined by the Foundation's CEO and/or Board. When a gift comes with conditions such as a required match, the Foundation's CEO and/or Board will determine the acceptance of the gift based on the following criteria:

- Perceived viability of securing the match including a reasonable timeline
- Frequency or recency of last request, whether to a large public donor base or a select group of major donors
- The donor's goals in creating a matching program

In conformance with Treasury Department regulations governing community foundations, gifts to the Foundation may not be directly or indirectly subjected by a donor to any "material restriction," a term defined by the Treasury Department,

describing any condition that prevents the Foundation from freely and effectively employing the transferred assets, or the income derived, in furtherance of its charitable purposes.

ACTING AS TRUSTEE

No employee shall serve as a trustee, conservator, executor, or personal representative for one of the foundation's donors or prospects unless specifically approved by the Foundation's CEO with the oversight of the Executive Committee. The Board of Directors will be made aware of such trusteeships.

INVESTMENT GIFTS

It is the Foundation's policy to generally convert all gifts to cash as soon as reasonably possible unless outstanding circumstances make holding on to illiquid assets more beneficial to the Foundation, as recommended by the CEO and/or Board and approved by the Board. The Foundation reserves the right to make any or all investment decisions regarding gifts in accordance with its Investment Policy Statement, as amended from time to time. In making a gift to the Foundation, donors give up all rights, title, and interest to the assets contributed. In particular, donors give up the right to choose investments and investment managers, brokers, or to veto investment choices for their gifts.

COSTS OF ACCEPTING AND ADMINISTERING GIFTS

Generally, costs associated with the acceptance of a gift, such as attorney fees, accounting fees, and other professional fees as well as other costs to establish a gift such as appraisal, escrow, evaluation, and environmental assessment fees will be borne by the donor. The direct costs of administering outright and planned gifts of the Foundation will be borne from the assets of the individual funds, except for those special circumstances as determined by the Board of Directors. Custodial, investment, and administrative fees will be paid from the respective funds in accordance with the Foundation's guidelines and fee schedules.

AUTHORITY TO ACCEPT, DECLINE, NEGOTIATE, AND SIGN GIFT AGREEMENTS

The Foundation's management and administrative officers authorized to accept letters of transmittal and amendments thereto and to negotiate and sign charitable giving agreements with prospective donors are:

- CEO, or in the absence of the CEO,
- Chair of the Board of Directors

FUNDRAISING BY DONORS

Because the Foundation is legally responsible for all fundraising activities associated under the Foundation's 501(c)(3) status, fundraising undertaken by donors in

connection with funds of the Foundation must be approved in advance by the Foundation pursuant to the Foundation's policy on fundraising by donors. This includes associated communications, promotions, acknowledgments and management of donor data. All such fundraising activities are subject to the Foundation supervision and must adhere to the [Fundraising Policy](#) which includes the Confidentiality and Donor Anonymity Policy.

FUNDS

(Reference document: [Establishing a Fund](#))

The Foundation establishes funds through charitable gifts that are formalized through a Fund Agreement Document(s). Each Fund, whether administered directly by the Foundation or through a separate trust, custodial account or agency agreement, shall be considered part of (and legally owned by) the Foundation and shall be governed by its Articles of Incorporation, Bylaws, and by these Procedures. Regardless of the form of administration, the Foundation is vested with ultimate authority and control over the principal and income of each Fund.

For each fund type listed below, the fund may be endowed or non-endowed. The distinguishing feature of an endowed fund is that only income (including interest, dividends and the net appreciation on the assets in the fund) is available for distribution; the principal of the fund or *historical gift* is protected in perpetuity. All endowed fund distributions are subject to the Foundation's spend policy which is guided by State Law (Uniform Prudent Management of Institutional Funds Act or UPMIFA) and updated annually.

The different types of funds that the Foundation offers include:

Unrestricted/Board Directed Funds. Gifts to this Fund help the Foundation support our community in the most flexible way. The Foundation then makes distributions to support the work of effective charitable organizations throughout the North Lake Tahoe/Truckee region. An example includes the Open Competitive Grantmaking Fund with an annual grant cycle. Distributions are based on the recommendation of the Foundation staff with approval by the Board.

Field of Interest Funds. These funds support a specific charitable purpose or geographical area designated by the fund's donor or donors. Distributions are determined by the Foundation and are consistent with the fund's purposes. Where appropriate, the Foundation may create an advisory committee to recommend distributions. Current examples include Forest Futures, Housing Solutions and Emergency Response Funds.

Designated Funds. These funds support a single charitable organization designated by the fund's donor or donors. The Foundation actively monitors all of its grantees. If the beneficiary organization ceases to exist, loses its tax-exempt status, or changes its mission, fund distributions are redirected to support an organization with a similar mission.

Agency Endowments. These funds are created by charitable organizations that designate themselves as the fund's beneficiary. Distributions generally are determined by applying the foundation's spending policy to the assets held in the fund.

- Advisors must be tied to governance roles
- Annual audit showing Agency Fund as asset must be submitted and verified periodically

Scholarship Funds. These funds provide financial assistance to students at schools, colleges, and universities. Scholarship funds can also support graduate-level education, vocational training, and assistance in paying for special courses. Donors can recommend eligibility criteria and may serve on selection committees, and the Foundation will do its best to fulfill those guidelines. However, the dynamics related to the size of the scholarship, the annual applicant pool, and coordination with other scholarship funds and committees require flexibility in the decision process. Scholarship donors can participate in committees, but cannot have the ultimate decision-making authority of scholarship recipients. The Foundation works collaboratively with many community scholarship committees which select recipients based on the specified criteria of multiple regional scholarship funds.

Additionally, multi-year scholarship commitments must have cash-in funds for the total commitment before publicly announcing the opportunity to the community. The investment strategy for scholarship funds must ensure liquidity and asset preservation. Funds will remain in a cash or cash equivalent pool to avoid market fluctuations.

Donor Advised Funds (DAF). These funds are generally directed by donors who want a more active role in grantmaking. Donors recommend charitable organizations to receive grants from the fund. The Foundation staff supports DAF grantmaking by verifying the charitable status and mission alignment to the donors' wishes. If desired, the Foundation staff can also help identify aligned organizations.

Donor Advised Funds are highly regulated funds that are scrutinized for compliance. Additionally, the Foundation DAFs are subject to policies related to legal compliance and community benefit. These include but are not limited to the following. Please

see the linked DAF Management and Policies Addendum for more detailed description and guidance.

- Grantees must be 501(c)(3) organizations
- Pledges cannot be fulfilled by a DAF
- Benefits may not be received or exchanged through a DAF
- Donor successors have limitations
- Grants to political or hate-related groups cannot be recommended