

# Kosciusko County Community Foundation, Inc.

## Policy on Donations

### I. POLICY ON SOLICITATION OF DONATIONS

Solicitations of businesses and individuals will be made in accordance with the highest ethical and business fundraising practices. The Foundation has adopted and subscribes to the Model Standards of Practice for the Charitable Gift Planner, attached hereto. Appeals to vendors and businesses will be made in the spirit of philanthropy with no overt or implied promise of future business or threat of withdrawal of business.

### II. GUIDELINES FOR SOLICITATION

#### A. Protection of the Donor's Interest

No agreement shall be made between this Foundation and any other operation, agency, person, or organization on any matter which would knowingly jeopardize or compromise the donor's interest.

The CEO of the Kosciusko County Community Foundation, Inc. shall exercise caution against the use of any high-pressure sales techniques or unethical practices in dealing with a prospective donor. The roles of the CEO, Board of Directors, Governing Members, staff and volunteers shall be to inform, serve, guide, or otherwise assist the donor in achieving fulfillment of his/her philanthropic purposes and never exercise undue pressure or methods of persuasion.

In keeping with this policy, personnel employed or retained by the Foundation to administer or promote its development program shall be paid a fixed salary and shall never receive a commission related to gifts received.

#### B. Use of Legal Counsel

The Kosciusko County Community Foundation, Inc. shall seek the advice of legal counsel in all matters pertaining to its planned and deferred gifts program, and shall execute no agreement, contract, trust, or other legal document with any donor without the advice of legal counsel.

The Kosciusko County Community Foundation, Inc. shall use fund agreement templates approved by legal counsel when drafting fund agreements. Only fund agreements that have unusual changes to the template or don't use one of our approved templates must be reviewed by legal counsel.

The prospective donor shall be advised to seek the counsel of his/her attorney in any and all aspects of the proposed gift, whether by will, bequest, trust agreement, or other. He or she will be advised to consult his/her attorney or other advisors on matters related to the tax liability of his/her personal estate.

### C. Confidential Information

All information concerning a donor or prospective donor shall be kept and held strictly confidential unless permission is obtained from the donor to disclose information. An employee found to have violated this policy shall be subject to dismissal.

### D. Authorization to Negotiate Agreements

The CEO shall be authorized to negotiate any of these selected permanent or nonpermanent fund agreements with any donor without prior full Board or Executive Committee approval:

1. Advised
2. Designated
  - a. Scholarship
  - b. Agency
3. Field of Interest
4. Unrestricted or Discretionary

Examples of donations, planned and deferred giving vehicles which can be used to fund the above agreements and accepted without prior approval are:

1. Cash
2. Publicly traded securities
3. Grain or livestock

Examples of donations, planned and deferred giving vehicles, which can be used to fund the above agreements and may be negotiated without prior approval are:

1. Charitable remainder unitrusts
2. Charitable remainder annuity trusts
3. Charitable lead trusts
4. Charitable gift annuities

Final approval of each of the above planned and deferred vehicles will be obtained at the next regular board meeting and noted in the minutes.

Other agreements, arrangements, or planned and deferred giving vehicles must be pre-approved by the Executive Committee or full Board.

## III. POLICY ON ACCEPTANCE OF DONATIONS

Kosciusko County Community Foundation, Inc. will not accept any gift that would jeopardize the Foundation's tax-exempt status. Donations to the Kosciusko County Community Foundation, Inc. will be accepted for unrestricted use, for any existing fund or for a new fund accepted under the Policy for the Acceptance of Named Endowment Fund listed in B below.

If a donor requests his/her gift be placed in a separate fund or bank it must be reviewed and approved by the Finance Committee according to the criteria and guidelines approved by the Board as articulated in the Community Foundation's Investment Policy.

A. Policy for the Acceptance of Undesignated Gifts

Unsolicited Individual, Corporation or Foundation Gifts: Gifts will be placed in the Operating Endowment; however, in order to support the sustained operational viability of the Foundation during times of reduced administrative fee income, the Board of Directors may direct gifts be placed in the Operating Fund when the Fund Balance Available for Operating falls below 60% of Total Budgeted Operating Expenses.

Memorial Gifts: Gifts will be placed in the fund selected by those making final arrangements for the deceased. In the absence of any direction, gifts will be placed in the Kosciusko County Community Foundation Memorial Endowment Fund.

Bequests and other Planned Gifts: Bequests will be placed in the Operating Endowment; however, in order to support the sustained operational viability of the Foundation during times of reduced administrative fee income, the Board of Directors may direct gifts be placed in the Operating Fund when the Fund Balance Available for Operating falls below 60% of Total Budgeted Operating Expenses.

B. Policy for the Acceptance of Named Endowment Fund Gifts

The CEO of the Kosciusko County Community Foundation, Inc. shall have the authority to accept, on behalf of the Foundation, contributions to establish or add to an identified endowment fund named for the donor (or for such persons or designation as the donor may have requested). Legal counsel shall be consulted as needed.

Identified or named endowment funds may be permanently created with a gift to Kosciusko County Community Foundation, Inc. of \$5,000 or more, with the exception of scholarship funds, which must be created with a gift of \$25,000 or more. In the event the initial gift is less than the minimum required, the Kosciusko County Community Foundation, Inc. may accept it as an identified endowment fund and reserve the right to review the progress of the fund. At the end of two years from the date the fund was created and if the historic gift value of the fund is less than the minimum required, the Board of Directors may elect to use any remaining assets in the fund for educational, charitable, or other exempt purposes that are within the scope and purposes of the Community Foundation that:

FOR SCHOLARSHIP FUNDS

- most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund, or
- that are agreed upon, in writing, between the original donor and the Community Foundation.

FOR NON-SCHOLARSHIP FUNDS

- most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund, or
- that are agreed upon, in writing, between the original donor and the Community Foundation.

### C. Policy for the Acceptance of Donor Advised Funds Gifts

Notwithstanding any other provision hereof, the Foundation shall not accept any gift of an interest in a business enterprise for a Donor Advised Fund that would subject the Foundation to tax under section 4943 of the Internal Revenue Code, concerning "excess business holdings." Any proposed gift that would result in the Donor Advised Fund holding:

1. a 20% or greater interest in a business or in an entity, or
2. any interest in an entity in which any interest is owned by a donor or advisor to the Donor Advised Fund, or by a family member of any such person, or by an entity in which any of the foregoing persons has an interest,

shall be referred to the Foundation's legal counsel for an opinion on the possible application of Code Section 4943.

### D. Gifts with Conditions Attached

Gifts that have conditions attached will be evaluated by the Foundation staff for recommendation to the Board of Directors for acceptance as offered, acceptance subject to conditions, or refusal. Between regularly scheduled board meetings, the Executive Committee shall act on behalf of the Board of Directors. Examples of such gifts: a very large gift for a service the Foundation does not currently offer which would require approval from some entity other than the Foundation; gifts designated for purposes not obviously related to the Foundation's current mission and services; and, gifts that are so restricted that the Foundation would be required to expend the funds to specific individuals.

### E. Non-Cash Gifts

All proposed gifts, other than publicly traded securities, grain and livestock will be evaluated by the Foundation staff for recommendation to the Finance Committee for acceptance as offered, or acceptance subject to conditions, or refusal. Between regularly scheduled board meetings, the Executive Committee shall act on behalf of the Board of Directors. If the gift is accepted, the Finance Committee will provide direction to the staff in issues of appraisals, sales, timing, and solicitation of bids and liquidation of asset. Donated or transferred non-cash assets shall not be co-mingled with all other assets of the Foundation's general investment pool of assets, but shall be specifically assigned to and held by the fund, if any, of the donor making the gift or transfer. If however, the asset is a gift or transfer generally to the Foundation and not to any specific fund within the Foundation, then such asset shall be added to the Foundation's general investment pool of assets, unless otherwise specifically directed by the Finance Committee.

## IV. POLICY ON DONATED SECURITIES

Any gifts of publicly traded securities will be placed in the appropriate investment pool and will immediately become an asset of that pool to be shared by all funds held in the pool. The general policy of the foundation is that securities be immediately sold. Any realized gain or loss from the sale of the securities will be allocated to all funds held in the pool. The donor may request that they be held for a certain period of time, and if so, at this point, the CEO should consult with the Finance Committee.

## V. POLICY ON RECEIPTING OF DONATIONS

A donor will receive a timely receipt for any donation made and the receipt will include language the donor needs to properly document their gift for tax purposes.

The Foundation will provide donors with access to an annual report and audit to ensure that donors are well informed about the activities of the Foundation and the management of funds.

Adopted by the Board of Directors on September 10, 2001.

Amended by the Board of Directors on May 9, 2005.

Amended by the Board of Directors on January 9, 2006.

Amended by the Board of Directors on May 14, 2007.

Amended by the Board of Directors on May 6, 2009.

Amended by the Board of Directors on March 14, 2011.

Amended by the Executive Committee on February 8, 2021.

Amended by the Executive Committee on February 13, 2023.

Amended by the Board of Directors on January 13, 2025.

### CERTIFICATE OF SECRETARY

I, Cheryl K. Hastings, the duly elected Secretary of the Board of Directors of the Kosciusko County Community Foundation, do hereby certify that the foregoing is a true and complete copy of an amended resolution adopted by said Board of Directors on the 13th day of January 2025.

  
Cheryl K. Hastings

MODEL STANDARDS OF PRACTICE  
FOR THE  
CHARITABLE GIFT PLANNER

PREAMBLE

The purpose of this statement is to encourage charitable gift planning by urging the adoption of the following Standards of Practice by all who work in the charitable gift planning process, including charitable institutions and their gift planning officers, independent fund-raising consultants, attorneys, accountants, financial planners and life insurance agents and other financial service 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 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. Payments of finder's 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 Advisers

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 advisers 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 Planner, in order to insure 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 Planner shall endeavor, on behalf of the undisclosed donor, to obtain 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.

This Model Standards of Practice for the Charitable Gift Planner was adopted by both the National Committee on Planned Giving and the Committee on Gift Annuities in the spring of 1991.  
Revised April 1999.