The Champaign Rotary Foundation (WGRC, Inc.)

Gift Acceptance Policy

***PURPOSE***

It is the policy of the Board of The Champaign Rotary Foundation (hereinafter "Foundation") to offer donors the opportunity to make gifts to the Foundation primarily for the benefit and support of programs and facilities of the Foundation. It is also the policy of the Foundation to actively solicit gifts to further the mission of Champaign Rotary Club (hereinafter “Club”).

These guidelines provide the parameters within which the Foundation shall function in discussing and promoting acceptable gifts from interested prospects. The guidelines also identify procedures and limitations on gifts that are offered to the Foundation, for consistent consideration of such gifts in determining their suitability for the Foundation. These guidelines are adopted as official policy by the Foundation’s Board.

All contributions shall be accepted and acknowledged in conformity with the provisions of the Internal Revenue Code and regulations that are in effect at the time of the gift transaction.

***GUIDELINE 1* -- PRIORITY OF THE DONOR'S INTEREST**

The interest of the donor shall have priority over the interest of the Foundation. No program, trust agreement, contract, or commitment may be urged upon any donor or prospective donor to benefit the Foundation at the expense of the donor's intent, or which would knowingly jeopardize a donor's interests. Agents or representatives of the Foundation must make full disclosure to the donor on all aspects of benefits and liabilities of which they are aware that may reasonably be expected to influence the decision of the donor to make a gift with the Foundation.

***GUIDELINE 2* -- USE OF LEGAL COUNSEL**

a. The Foundation shall seek legal counsel as needed in matters pertaining to its planned gift program and shall execute no planned giving agreement unless and until all relevant documents have been duly reviewed. The use of documents that have received prior review and approval shall be acceptable.

b. Though the Foundation is obligated to provide donors with as much information as possible regarding benefits, limitations, and tax implications of specific gifts or gift arrangements, the Foundation shall not be considered to be offering tax or legal advice to donors or prospects. All prospects and donors shall be advised, both orally and in writing, to seek their own legal counsel in matters relating to their gifts, tax, and estate planning. In particular, donors will be informed that the Foundation cannot take into consideration the effect or impact that state laws, statutes, or taxes may have upon the suitability of a gift, or upon the terms of an agreement.

***GUIDELINE 3* -- AUTHORIZATION FOR NEGOTIATION**

 a. Representatives and agents of the Foundation are encouraged to discuss planned giving with prospective donors. However, only persons authorized by the Foundation Board may accept and formalize any Foundation gift from a donor.

 b. No gift or gift agreement may be accepted by the Foundation unless it complies with the requirements of the guidelines herein stated. Any variances must receive prior approval by the Foundation’s legal counsel and/or Executive Board.

***GUIDELINE 4* -- CONFIDENTIAL INFORMATION**

All information concerning donors and prospective donors, including names, names of beneficiaries, amount of gift, size of estate, etc., shall be kept in strict confidence by the Foundation and its authorized personnel. A donor or, in the case of a testamentary gift or other acceptable circumstances, an executor, beneficiary, or close family member, may grant permission to the Foundation to publicly announce or recognize a gift.

***GUIDELINE 5* -- ACCEPTABLE GIFT ASSETS**

The following assets may be deemed acceptable as outright gifts to the Foundation. No minimum is required unless specified below. Donors may not retain any significant rights or benefits in any property or asset offered to the Foundation unless approved by the Foundation.

Gifts for a specific purpose will not be segregated or designated as a separate cost center within the Foundation, unless the gift value is a minimum of $50,000, and either the donor requests it or the Foundation believes it is in its best interest to create segregated accounting for the gift.

Acceptable assets include:

a. Cash

b. Real Estate

1. The Foundation may accept gifts of real property at fair market value if, at the time of the gift, there are no outstanding mortgages, tax liens, or other encumbrances upon the land. Such value shall be established by at least one recent, reliable, and qualified appraisal acceptable to the Foundation.

2. If any encumbrances are present at the time the gift is offered, and such encumbrances represent a nominal amount when compared with the total value of the property, such property may be accepted with the approval of the Foundation Board. How the encumbrance will be removed, and by whom, shall be agreed upon by the Foundation and the donor in writing prior to acceptance of such property.

3. No gift of real property may be accepted by the Foundation unless and until such property has been personally visited by a designated Board member or appropriate agent or designee of the Foundation (e.g., a recommended real estate agent). In addition, a written analysis of the marketability and potential use of the gift property shall be prepared by the Foundation prior to acceptance of the property.

4. No gift of real property may be accepted until a preliminary environmental evaluation, questionnaire, or disclosure statement has been completed or made available for the property in question. This should include a recent Phase I Environmental Site Assessment prepared by an assessor suitable to the Foundation. In the event that this evaluation or Phase I assessment discloses any information indicating the presence or reasonable possibility of toxic materials, hazardous waste, oil seepage, or other contaminants on the property, additional environmental studies and phase assessments must be completed before the gift is accepted.

5. Prior to presentation to the Foundation Board of Directors, the donor must provide the following documents: real estate deed; real estate tax bill; plot plan; substantiation of zoning status; environmental site assessment, appraisal and any applicable utility bills for the previous 6 months.

6. Arrangements to cover post-transfer expenses should be agreed upon in writing by the donor and the Foundation prior to the gift. Such expenses include taxes and assessments, insurance, and maintenance costs of the land or any buildings on the land.

7. Due to the expenses associated with gifts of real estate, only gifts with a fair market value in excess of $50,000 will be accepted. Gifts valued at less than $50,000 require the review and approval of the Foundation Board of Directors

8. Tax benefits previously derived by the donor from the gift property, as well as a reasonable estimate of the net value of a real estate gift, shall be taken into consideration when offering and discussing gift proposals, especially involving charitable or split interest trusts funded with real estate.

9. Tangible personal property associated with real property gifts will not be accepted.

10. The Foundation reserves the right to sell all gifts of real estate it accepts, as soon as reasonably prudent and in the sole discretion of the Foundation and to reinvest the proceeds from those gifts in keeping with its recommended investment guidelines and portfolio mix.

c. Life Insurance

 The Foundation may only accept gifts of a life insurance policy if the Foundation is irrevocably named as owner and beneficiary of a paid-up policy only.

d. Testamentary Gifts

The Foundation may accept any gifts approved by these Guidelines if offered to the Foundation through bequests, will substitutes, testamentary trusts or beneficiary gifts from life insurance, IRAs, 401ks and other such instruments. Such gifts will be subject to the same guidelines and restrictions as if the gift had been made to the Foundation during the donor's lifetime. The Foundation may disclaim any bequest or testamentary gift if determined by the Foundation Board to be in the best interests of the Foundation to do so.

e. Other Acceptable Gift Assets

Upon consideration prior to acceptance, the Foundation Board may accept gifts to the Foundation of other types of assets not herein specified or discussed. All appropriate liability and cost/benefit issues related to the gift or gift property shall, as usual, be considered.

***GUIDELINE 6* -- APPRAISALS FOR FOUNDATION GIFTS**

The Foundation will not be responsible for furnishing a donor with property appraisals or valuations for gifts to the Foundation. The Foundation also will not, under any circumstances, participate in a transaction in which the value of a gift is known to have been significantly inflated above its true fair market value to obtain a tax advantage for a donor.

It is the intention of the Foundation to follow the requirements and guidelines set out, and from time to time amended, by the Internal Revenue Code related to qualified appraisals and appraisers and gift reporting. Proper receipts will be provided to each donor in a timely manner, and appropriate reporting forms will be used for all property sold by the Foundation within two years of the date of contribution.

***GUIDELINE 7* -- GIFTS AND SPECIFIC ACCEPTANCE CRITERIA**

In considering the acceptance of any gift and its value to the Foundation, the following factors must be taken into account:

1. The nature of the assets contributed;
2. Total return on investment of the gift assets;
3. The length of the management or trust period; and
4. Factors that cannot be controlled by the Foundation, but are subject to estimate such as investment performance, life expectancy, etc.

Donors and Foundation representatives should consider as controlling all restrictions and minimums on the following types of gifts. Gifts may vary from these guidelines in certain circumstances, where permitted by law, but must receive prior approval from the Foundation Board, if it is determined that such variance is to the advantage of both the Foundation and the donor.

It is the intention of the Foundation to sell all gifts it accepts, as soon as reasonably prudent and in the sole discretion of the Foundation and to reinvest the proceeds from those gifts in keeping with its recommended investment guidelines and portfolio mix.

Foundation may choose to decline a gift if one or more of the following conditions are known:

1. There are conditions to a gift and its designation that are not consistent with the mission, values and objectives of the Foundation.
2. The gift could financially jeopardize the donor and/or the Foundation.
3. The gift or terms are illegal.
4. The Foundation does not have the resources to honor the terms of the gift.
5. An appropriate fair market value cannot be determined, or will result in unwarranted or unmanageable expense to the Foundation.
6. Physical and/or environmental hazards exist in the gift.
7. The gift could jeopardize the tax-exempt status of the Foundation.
8. Notwithstanding the above, the Foundation Board of Directors has the right to decline a gift at its discretion for any reason.

***GUIDELINE 8* -- FINAL DISPOSITION OF PLANNED GIFT FUNDS**

Upon the death of the surviving beneficiary, or termination, of a gift agreement, the assets and any accruals derived therefrom shall be paid to the Foundation for its general purposes or specific purposes, unless otherwise restricted by the donor and stated in the gift agreement. It is the policy of the Foundation to direct all gifts received for general purposes to the Foundation for discretionary use. All gifts that are donor-restricted shall be directed to the appropriate restricted or endowment funds, for such uses as are consistent with the donor's restriction or request.

***GUIDELINE 9* -- INVESTMENT OF FUNDS, PHILOSOPHY, DUTIES AND RESPONSIBILITIES**

Guidelines related to investment of Foundation funds, investment strategies, philosophies, asset allocations, duties, and responsibilities may be set out in a separate document, as drafted and duly adopted from time to time by the Foundation investment committee and/or endowment committee, and the Foundation Board.

***GUIDELINE 10* – AMENDMENT OF POLICIES AND GUIDELINES**

All gift acceptance policies of the Foundation are subject to amendment, upon appropriate resolution and vote by the Foundation Board. However, such amendments may not be used to defeat or infringe upon the rights or expectations of any donor who may have made a gift, or entered into a gift agreement, prior to such amendment.