

GREENE COUNTY FOUNDATION
Gift Acceptance Policy 2012

All potential fund donors are strongly encouraged to consult with their personal legal and/or financial advisor before making any charitable gift to the Greene County Foundation. All gifts to the Foundation are irrevocable gifts with the Foundation Board of Directors holding final authority for investment and distribution of earnings. All non cash gifts to the Foundation will be reviewed by the investment committee prior to acceptance.

Policy with regard to assets categorized under the PPA as “excess business holdings”

In the event, the Foundation accepts a gift deemed to have excess business holdings, the 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 Foundation will exercise its best effort to dispose of the contributed interest at the best possible price within five years or the date of the gift, as required under the PPA. In any event, the Foundation will dispose of any excess business holding prior to the five year time limit, except in the event that the Treasury Department grants an additional five year holding period. The Foundation will notify potential donors of such interests of this requirement prior to the contribution of such interest.

GENERAL POLICY FOR GIFTS OF CASH OR PROPERTY

1. The Foundation will accept gifts of cash and/or publicly traded securities.
2. Gifts of all others property are subject to approval by The Greene County Foundation Board prior to acceptance.

POLICY FOR GIFTS OF SECURITIES

1. Gifts of publicly traded securities will be accepted by the Foundation. Such gifts will be reviewed by the Foundation's investment committee and/or trustees to be retained or disposed of as deemed appropriate by the Foundation.
 - (a) Such securities may be sold immediately upon receipt; however, if the number of shares involved is sufficient to have a depressing impact on the price of the stock, in the opinion of the Foundation's Trustee, the sale may be extended over a period of time necessary to avoid such an impact.
 - (b) Stocks controlled under Securities and Exchange Commission Rule 144 will be held until the restriction on sale expires and then may be immediately sold in the same manner as in (a) above.

NOTE: In the absence of accessible market value, gifts of restricted securities will be

carried on the Foundations books at \$1 until they are sold or a market value can be assigned.

2. Gifts of securities which are not publicly traded may be accepted only by Board approval after a thorough review by the Board and such counselors as the Board deems appropriate.
 - (a) Gifts of closely held corporate stock will be carried on the Foundation's book at \$1.00, in the absence of financial information which would enable determination of "book value" or "market value".

NOTE: Such securities will be carried at "market value" if recent trade has occurred within a reasonable time or a determined "book value" as long as audited financial statements are provided to the Foundation so that "book value" can be substantiated.

- (b) Gifts of bonds which require a "holding" period may be accepted and cashed when the holding period has expired.
3. Gifts of securities that are not likely to be accepted include the following:
 - (a) Securities which are assessable of in any way could create a liability to the foundation.
 - (b) Securities which, by their nature, may not be assigned (such as series "E" savings bonds).
 - (c) Securities which, on investigation, have no apparent value.

POLICY FOR GIFTS OF REAL ESTATE

1. Gifts of real estate will be accepted by the Foundation. Such gifts will be reviewed by the Foundation's investment committee and/or trustees to be retained or disposed of as deemed appropriate by the Foundation.
2. All gifts of real estate will be subject to approval by the Board prior to acceptance.
3. The Board will accept only real estate which (a) can be used by the Foundation or one of its supported organizations in furtherance of the Foundation or organization's charitable purpose; or (b) can be sold within a reasonable period of time.
4. Prior to acceptance, the following information must be obtained to accept such a gift:

- (a) Donor, including Donor's Attorney, Realtor, and/or CPA should provide the following information to the Foundation before a piece of real estate is accepted.
- (1) BASIC INFORMATION. The basic information should include the following: (1) address; (2) legal description; (3) assessor's parcel identification numbers; (4) lot size or acreage; (5) description on any building (such as nature, age, prior user); (6) copy of current year's tax bill; and, (7) any other information which would be relevant to the Foundation.
 - (2) PRELIMINARY TITLE REPORT. Donor should be requested to provide to the Foundation a current title insurance commitment on the property, including copies of all documents shown as exceptions to title on the report. If the Donor does not wish to provide it, the Foundation should obtain it. Upon the transfer of the real property to the Foundation, the Foundation shall receive a policy of title insurance. In general, the policy will be an ALTA policy.
 - (3) MARKET VALUE. The Donor should provide the Foundation with the appraisal which will be attached to the Donor's Internal Revenue Service Form 8283.
 - (4) CURRENT MARKET CONDITIONS. The Donor or Donor's; Realtor should provide a comparative market analysis of parcels in the same area as the property.
 - (5) DISCLOSURE. Donor must comply with the provisions of the Indiana Responsible Property Transfer Law, Indiana Code 13-7-22.5, including, but not limited to, the delivery of a disclosure document in the form set forth in Indiana Code 13-7-22.5-15.
 - (6) SURVEY. The Foundation should request a survey before accepting a property.
 - (7) ENVIRONMENTAL IMPACT STUDY. The Foundation may request the Donor to provide a Level 1 Environmental Impact Study and Audit and if necessary a Level 2 Study and Audit, with all costs to be borne by the Donor.
 - (8) COSTS. If essential information is not provided by the Donor, Donor should be requested to contribute an amount sufficient to pay for obtaining it. However, if the Donor is not willing to advance these costs, the Foundation should determine whether it would be advantageous for the Foundation to do so.
5. CRITERIA TO USE TO DETERMINE WHETHER TO ACCEPT THE GIFT.
The Foundation shall consider the following criteria in determining whether or not an offered property should be accepted:

(a) ANALYSIS OF SALE AND HOLDING COST. The Foundation shall evaluate present and future sale and holding cost. This analysis shall include the following:

- (1) Present market value;
- (2) Future market value;
- (3) Encumbrances;
- (4) Net cost of sale;
- (5) Holding cost.

(b) HAZARDOUS WASTE OR OTHER ENVIRONMENTAL PROBLEM

The Foundation shall undertake such an investigation of investigation of environmental issues relating to the property as the Foundation deems necessary or appropriate to enable it to determine whether any problems exist, including without limitation an investigation of any problems appearing under Section 3 (A) (5) above. In addition, the Foundation may, in its discretion, engage a qualified engineering or other firm to undertake an environmental review and deliver a report to the Foundation. Specifically, the Foundation should investigate the potential dangers of current and past hazardous conditions on or near the property. The following is a list of some of the prior uses that could lead to an environmental study before a property is accepted: underground fuel storage (such as service stations and vehicle fleet servicing); chemical and manufacturing plants; dumps, dentist office; cleaners. This list is by no means comprehensive.

(c) ON-SITE INSPECTION. A Director (s) of the Foundation should make an on-site inspection of any property before it is accepted. After board inspection, if deemed appropriate, a more qualified inspection by a broker, licensed contractor or other appropriate person should occur.

The appointed person should look for any problems regarding the following:

- (1) Environmental conditions (see Section 3 (A) (5));
- (2) Boundaries; and,
- (3) If the property is improved, structural and soil conditions.

(d) UNUSUAL CIRCUMSTANCES. No property should be accepted which has excessive environmental or structural problems, or where the holding cost may approach or exceed sale proceeds.

- (1) There may be situations arise where the Foundation finds that property ownership may be undesirable, yet the gift may be substantial if converted to cash. (An example: potential environmental problem-Foundation should not be in chain of title).

The Foundation should attempt to work with the potential Donor in developing creative solutions to issues which may be raised by the condition of the real property, including without limitations seeking advice from attorneys, tax advisors, and other counsel.

- (2) While giving all preceding items full consideration, some "special circumstances" consideration may be used if the rejection of the property would appear to have other long term negative affects on the Foundation (i.e. affect future gifts).
- (e) LOCATION. Generally, property should be located in Greene County or contiguous counties to facilitate the inspection and management of the property.

6. CRITERIA TO USE IN DETERMINING WHETHER TO HOLD OR SELL A DONATED PROPERTY.

- (a) THE GENERAL RULE. To sell donated properties as soon as possible. But properties may be held if the Foundation determines that it would be beneficial to do so.
- (b) OTHER CRITERIA. The Foundation shall consider such criteria as it deems necessary or appropriate in determining whether or not to hold or sell the real property, which criteria may include some or all of the following:
 - (1) Whether or not the Foundation assumes any mortgage payments;
 - (2) Whether or not the land is income producing;
 - (3) Whether or not the carrying costs are reasonable;
 - (4) Whether or not the property has a potential for exceptional appreciation short term (less than three years (3) years);
 - (5) Whether or not the property has potential for exceptional appreciation long term (greater than three years (3) years);
 - (6) Whether or not it would be beneficial for the Foundation to manage a property if located out of Greene County;
 - (7) Whether or not there are any present or potential managerial problems.
- (c) LIFE ESTATES. In determining whether or not to accept property subject to reservation of a life estate, the policy will generally apply. Of course, the determination of whether to hold or sell will depend upon the terms of the life estate agreement.

7. CRITERIA TO USE IN DISPOSING OF DONATED PROPERTY.

- (a) CASH. Generally, all properties should be sold for cash.
- (b) CARRYING PAPER. The Foundation may consider carrying paper if it is advantageous to do so. The Foundation shall consider the following criteria in making this determination:
 - (1) The amount of the note;
 - (2) The security;
 - (3) The time period;
 - (4) The interest rate;
 - (5) The amount of income (if property is income producing);
 - (6) The effect carrying paper may have on the selling price received by the Foundation;
 - (7) The effect carrying such paper may have on the value of the property, the length of time required to sell the property, or other related issues.

7. METHODS OF DISPOSING OF DONATED PROPERTY.

- (a) BROKER CONSIDERATION. If the Foundation trustee shall undertake an inquiry to determine the manner which deems the most advantageous in which to market the property. The Foundation trustee may but shall not be required to engage a broker in connection with the sale of any donated property.
- (b) MARKETING PROGRAM. If the Foundation trustee determines that listing the property with a broker is in the best interests of the Foundation, then all potential listing brokers selected by the Foundation trustee shall be required to provide the Foundation trustee with a comprehensive marketing program if deemed necessary. The Foundation trustee shall consider such factors as it deems appropriate in selecting a broker, which may include the marketing program and the reputation of the brokers.

POLICY FOR GIFTS OF PERSONAL PROPERTY

1. Gifts of publicly traded securities will be accepted by the Foundation. Such gifts will be reviewed by the Foundation's investment committee and/or trustees to be retained or disposed of as deemed appropriate by the Foundation.
2. Gifts of tangible personal property will be subject to approval by the Board prior to acceptance.
3. The Board will accept only tangible personal property which is (a) usable by the Foundation or one of its supported organizations, (b) can be sold within a

- reasonable period of time, or (c) the Foundation Board deems appropriate to retain for the benefit of the community.
4. Gifts of tangible personal property which exceeds \$5,000 in the aggregate require that the donor provide a qualified appraisal as required by the Internal Revenue Code and that the Foundation reports to the Internal Revenue Service any sales of such property within a two (2) year period after receipt thereof.
 5. Other matters that may be taken into consideration by the Foundation before deciding on acceptance of gifts of tangible personal property include (a) transportation costs; (b) storage costs; (c) cost of selling; (d) maintenance and repairs.
 6. The Foundation reserves the right to consult with its own counselors and appraisers in determining whether or not to accept gifts tangible personal property.

POLICY FOR ALL OTHER GIFTS

1. All other gifts will be accepted by the Foundation. Such gifts will be reviewed by the Foundation's investment committee and/or trustees to be retained or disposed of as deemed appropriate by the Foundation.
2. All other gifts will be reviewed by the board of directors before acceptance.
3. If a gift is not accepted, the reasons will be outlined in a letter to the potential fund donor and every effort made, when appropriate, to find another avenue for meeting the donor's need.