

# **Gift Acceptance Policies**

**For**

## **CORPUS CHRISTI FOUNDATION OF HOLLAND/ZEELAND**

As of November 15, 2017

These policies supersede and replace the Finance Committee Policies of the Corpus Christi Foundation, approved with amendments on May 1, 2015.

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## **1. General Information**

### **a. About the CCF and the Purpose of these Policies**

The Corpus Christi Foundation of Holland/Zeeland ("CCF") is a non-profit corporation organized under the laws of the State of Michigan in 1999. CCF encourages the solicitation and acceptance of gifts for purposes that will assist it in accomplishing its charitable mission. The following guidelines govern acceptance of gifts made to the CCF for the benefit of any of its activities, funds or programs. These policies are intended to assist the Board and committees of the CCF as to gift acceptance decisions. These policies can also be used by a donor and/or the professional advisor in making charitable gifting decisions.

### **b. Vision and Mission**

The Strategic Plan for CCF was adopted and approved by the Board of Trustees in 2012 and updated and approved in 2015. This Strategic Plan sets forth the following vision and mission statement:

#### **(i) Vision Statement**

To foster an environment in which people and organizations are actively engaged in building a vibrant, healthy Catholic community.

#### **(ii) Mission Statement**

To promote philanthropic giving and the use of permanent endowment funds, and to serve as a leader in coordinating local resources to meet the current and future needs of our community.

### **c. Use of Legal Counsel**

The CCF shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by either inside or outside counsel is recommended for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- Documents naming the CCF as Trustee.
- Gifts involving contracts, such as bargain sales or other documents requiring the CCF to assume an obligation.
- Transactions with potential conflict of interest that may invoke IRS sanctions.
- Other instances in which use of counsel is deemed appropriate by the gift acceptance committee.

Outside counsel shall be consulted where appropriate, such as:

- Transactions that may involve risk to the CCF or its board
- Transactions where the board may lack objectivity.
- Transactions where the board has a conflict of interest.
- Large gifts.
- Transactions where the staff or Board of Directors feels it is necessary or advisable.

### **d. Conflict of Interest**

The CCF will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Board members are expected to recuse themselves from any consideration or

vote on matters where they would profit personally from the organizations decision.

**e. Role of the Gift Acceptance Committee, Finance Committee, Executive Committee, and Board of Trustees**

The Executive Committee shall serve as the "gift acceptance committee".

The gift acceptance committee shall review gift acceptance issues as referred by the President or any Board member. All decisions of the gift acceptance committee shall be announced at the following full board meeting and subject to review by the entire board of trustees.

The Finance Committee reviews all financial and investment matters and makes related recommendations to the Board, The Finance Committee shall review gift acceptance issues as referred by the executive committee or President. The Finance Committee then may make a recommendation to the Board to include whether the gift should be accepted and how the gift should be used or treated.

The Executive Committee has responsibility to act where full board action is not possible or feasible, with a special emphasis on planning matters. If a proposed gift involves matters that concern the CCF's future with possible material implications, the Executive Committee should address the issues involved in gift acceptance and report back to the Board.

The Board of Trustees is responsible for policy-making and oversight of the CCF's operations. These Gift Acceptance Policies have been properly approved by the Board. Decisions of the executive board are subject to revision by full Board action. Additionally, pursuant to the Bylaws of the CCF, the Board has the variance power summarized in section J below.

The President and/or Treasurer have the authority to conditionally accept gifts. The President, Treasurer, and executive committee shall finalize all terms, restrictions and conditions of a gift and give expeditious and thorough review of each proposed gift. The President and entire executive committee will accept gifts in accordance with these policies. Any proposed gift that is not covered by these policies or upon which these policies appear to have unclear or incorrect results, should be brought to the attention of the executive committee. These policies shall be updated bi-annually or more often as approved by the full board.

**f. Restrictions on Gifts**

The CCF will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission, purposes and priorities. The CCF will not accept gifts that are too restrictive in purpose. The gift acceptance committee shall make recommendations as to the restrictive nature of a gift, and its acceptance or refusal, to the CCF Board of Trustees, who shall make the final decision.

**g. Funds/Undesignated Gifts**

Donors are encouraged to designate which fund they would like their contribution to benefit. Any contributions that are made which carry no designation as to fund or use shall be allocated to the CCF General Fund.

The following funds are available:

- Corpus Christi Catholic School Tuition Assistance Fund – distributions from endowment are made to fund school tuition.
- Corpus Christi Catholic School General Fund – distributions from endowment are made to benefit programs at the school's discretion.
- St. Francis de Sales Parish Fund – distributions from endowment are made to benefit programs at the parish's discretion.
- Our Lady of the Lake Parish Fund – distributions from endowment are made to benefit programs at the parish's discretion.
- Corpus Christi Foundation General Fund -- distributions from endowment used annually to typically fund the Foundation's grant process, available to both parishes and the school.

**h. Gift Purpose**

The purpose of all gifts received by the CCF must be consistent with the CCF's mission. Additionally, the gift purpose must be consistent with the CCF's qualification as a public charity under Internal Revenue Code Section 501(c)(3). In order to protect the intent of the donors and the CCF, the purpose of each gift, along with restrictions and operating procedures, will be enumerated in the signed fund agreement or letter of transmittal in the absence of a fund agreement.

**i. Right of Refusal**

The CCF reserves the right to refuse any gift. Some examples of when the CCF would be required to refuse a gift include:

- (i) the cost of managing and/or preserving the gift far exceed any potential benefit provided by the gift, or
- (ii) the gift or the gift's purpose is in irreconcilable conflict with the CCF's tax exempt status, or
- (iii) the gift or its purpose is contrary to a local, state or federal regulation or statute, or
- (iv) the gift is inconsistent with or detrimental to the CCF's purpose, vision, mission or desired image.
- (v) any other reason as determined by the full board.

**j. Variance Power**

The Board of Trustees has the power under the Bylaws of the CCF to:

- (i) Modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in their judgment, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the communities served;
- (ii) Replace any trustee, custodian or agent for breach of fiduciary duty under the laws of the State of Michigan; and
- (iii) Replace any trustee, custodian or agent for failure to produce a reasonable return with due regard to safety of principal, over a reasonable period of time.

If the Board of Trustees determines that possible grounds for exercise of one or more of these variance powers exist, the Board will notify the effected person or persons and give them a reasonable opportunity to provide an explanation or correction. The Board may only act under one or more of these variance powers upon the vote of a majority of the members of the Board. Upon the exercise of one or more of the powers in subsection (b) or (c), above, the Board of Trustees shall select the successor to whom the funds will be promptly transferred.

**k. Donor Bill of Rights**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life and our Catholic mission. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we strive to assure that all donors have these rights:

- I. To have information on the organization's mission, the way the organization intends to use donated resources, and its capacity to use donations effectively for their intended purposes.
- II. To have information on the identity of those serving on the organization's governing board, and to have confidence that the board will exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To feel confident that their gifts will be used for the purposes for which they were given.
- V. To feel confident that an appropriate acknowledgement and recognition will be made.
- VI. To feel confident that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- VII. To believe that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To have information about whether those seeking donations are volunteers, employees of the organization, or hired solicitors.
- IX. To consider the option of having their names deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to feel comfortable that the answers will be prompt, truthful and forthright.

**2. Types of Gifts**

**a. General**

The following types of gifts may be accepted for donation to the CCF:

- Marketable Securities
- Cash (including credit card payments via Paypal or similar payment processing website)
- Tangible Personal Property

- Real Estate
- Oil, Gas and Mineral Interests
- Life Insurance
- Life Insurance Beneficiary Designations

For the following types of gifts, an evaluation shall also be made on whether to accept the underlying asset, based upon these policies:

- Remainder Interests in Property
- Bargain Sales
- Charitable Gift Annuities
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Retirement Plan Beneficiary Designations
- Bequests

The following criteria should be applied in determining whether to accept gifts in each gift form.

**b. Cash**

Checks shall be made out to the Corpus Christi Foundation of Holland/Zeeland. Contributions can also be made at [www.ccfoundationhz.org](http://www.ccfoundationhz.org)

**c. Tangible Personal Property including Vehicles**

All gifts of tangible personal property shall be examined under the following criteria:

- Is the property marketable or useable by the CCF?
- Are there any undue restrictions on the use, display, or sale of the property?

The gift acceptance committee shall make a recommendation to the Board of Trustees as to acceptance of gifts of tangible personal property on issues directed to it under these policies.

The tangible personal property section shall also pertain to acquiring automobiles, boats, and other types of vehicles. Although the foundation may accept car donations, boat donations, or other vehicle donations in any condition (running or not), it is preferred that the donor directly sell the vehicle avoiding issues of liability (car insurance, etc.). Due to differing regulations and other considerations, not all types of vehicles are accepted, and the determination to accept the vehicle shall be at the sole discretion of the Foundation.

**d. Securities**

The CCF can accept both publicly traded and closely held securities.

**(i) Publicly Traded Securities**

As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Finance and Investment Committee. In some cases, marketable securities may be restricted by applicable security laws; in such instances, a recommendation on the acceptance of the restricted securities shall be made by the gift acceptance committee and approved by the CCF Board of Trustees.

**(ii) Closely Held Securities**

Closely held securities, which include not only debt and equity positions in non-publicly traded

companies but also interests in limited partnership and limited liability companies, or other ownership forms, can be accepted subject to approval as provided under these policies. Such gifts shall be reviewed under the following criteria:

- Are restrictions imposed on the security that would prevent the CCF from ultimately converting the security to cash?
- Is the security marketable and if so, how easily?
- Will the security generate any unfavorable tax consequences for the CCF?
- What is the time, administration, management and other costs or responsibilities that will be incurred during the holding period?

If, upon initial review of the gift, it appears that potential problems may arise, further review and recommendation by an outside professional should be made. Donors should be advised as to the CCF's policy that every effort will be made to sell non-marketable securities as quickly as possible.

#### **e. Real Estate**

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the CCF shall require an initial environmental review of the property to ensure that the property has no environmental issues. If the initial inspection indicates that issues exist, the CCF shall retain a qualified inspection firm, generally at the expense of the donor, to conduct an environmental audit.

When appropriate, a title commitment shall be obtained, at the donor's expense, prior to acceptance by the CCF of the real property gift. Other customary due diligence for environmental, structural inspections and other land use reports shall be obtained at the donor's expense prior to closing on any real property gift.

Generally, an agent is used by the CCF to liquidate or otherwise dispose of the property.

Criteria for acceptance of property shall include:

- Is the property useful for the purposes of the CCF?
- Is the property marketable?
- Are there any restrictions, reservations, easements or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, associated with the property?
- What are the relevant disposition costs that are the responsibility of the CCF?
- Do the environmental reports reflect that the property is free from environmental issues?

#### **f. Oil, Gas and Mineral Interest**

Prior to acceptance, the gift acceptance committee shall review gifts of this nature, with final approval by the Board of Trustees.

Criteria for acceptance of this type of property include:

- Whether the property involves extended liabilities or other considerations that make receipt inappropriate?
- Whether the interest to be accepted is a working interest? Working interests are rarely accepted and should only be accepted where a plan exists to minimize potential liability and tax consequences. Typically, only royalty interests or overriding royalty interests should be accepted provided the interests are active and paying a royalty.



- Whether an environmental review disclosed any potential environmental issues?
- What the carrying, administrative and disposition costs are?

**g. Life Insurance**

The CCF must be named as both the beneficiary and irrevocable owner of an insurance policy before the policy can be recorded as a gift. It is the general rule that all policies will be liquidated as soon as is feasible.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the CCF may:

- Continue to pay the premiums;
- Convert the policy to paid up insurance; or
- Surrender the policy for its current cash value.

**3. Tools for Making Gifts**

After an initial review and determination is made as to the underlying gift involved in a transaction which includes a specialized gifting vehicle, the issues specific as to the gifting vehicle should be addressed.

**a. Remainder Interests in Property**

The CCF will generally accept a remainder interest in property to the extent an outright gift of the property would have been accepted. However, the risk, administrative, disposition and other costs of having the future interest must also be examined.

The donor or other occupant may generally continue to occupy the real property for the duration of the stated life. At the death of the donor, the CCF may use the property or reduce it to cash. Where the CCF receives a gift of a remainder interest, expenses of maintenance, real estate taxes and any indebtedness are to be paid by the donor or primary beneficiary.

**b. Bargain Sales**

The CCF will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the CCF. All bargain sales must be reviewed, and a recommendation made by the gift acceptance committee, with final approval by the Board of Trustees.

**c. Charitable Remainder Trusts/Charitable Lead Trusts**

The CCF will not accept an appointment as Trustee of a charitable trust.

**4. Types of Funds**

**a. Donor Named and Scholarship Funds**

To set up a donor named fund or scholarship fund, a minimum gift of \$10,000 is necessary.

**b. Special (Community) Project Funds**

A special or community project fund is a type of fund provided as a community service. Before participation in a special community project fund, the project must be approved by the Board of Trustees. No minimum balance is required, and the beneficiary organization has the ability to spend both principal and interest as needed. However, the fund is charged a fee, based upon the

appropriate CCF fee schedule as determined by the executive committee and approved by the entire Board of Trustees.

**5. Miscellaneous Provisions**

**a. Securing Appraisals and Legal Fees**

It is generally the responsibility of the donor to secure the donor's own appraisal, where required. The donor's is also responsible for retention and payment of the donor's own independent legal counsel.

**b. Other Costs**

In some circumstances, the CCF may charge costs for certain expenditures against the donation received.

**c. IRS or Other Filings**

The donor and the CCF are responsible for their own reporting and administrative filings.

**d. Changes to the Gift Acceptance Policies**

These policies and guidelines have been reviewed and approved by the gift acceptance committee and the Board of Trustees. The Board of Trustees must approve any changes or deviations.

Approved this 15 day of November, 2017.

Effective as of the 15 day of November, 2017.



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President, Corpus Christi Foundation