Billings Community Foundation
Gift Acceptance and Charitable Gift Planning Policy

Billings Community Foundation, Hereinafter referred to as (the Organization), being a recognized 501(c)(3) organization, in accordance with the regulations of the Internal Revenue Service (the Code), does actively seek gifts of real and personal property to maintain and increase the standards of excellence in its charitable programs. This policy is designed to ensure that all gifts contributed to, or for the use of the Organization are structured to provide maximum benefit to both the donor and to the Organization. This policy shall be applicable to gifts made to the Organization, both current and deferred, in an effort to encourage support of the Organization.

It is the policy of the Organization that the solicitation, evaluation, acceptance, acknowledgement, and treatment of all gifts shall be conducted in accordance with the standards and procedures set for in the following policy statement.

General Provisions:

I. Administrative Responsibility for Gift Acceptance

It is the overall responsibility of the Board’s Financial Committee, or assigned designee, to maintain and assure compliance with the requirements of this policy. The Financial Committee will maintain an ongoing communication with the governing board and/or all appropriate board and subcommittee chairs responsible all fund raising efforts.

II. Gift Acknowledgement

The Organization recognizes the integral role of the donor in the achievement of its charitable purposes. Therefore, any donor to the Organization shall be furnished with an acknowledgement of any gift, in accordance with the gift substantiation regulations issued by the Internal Revenue Service, as well as an appropriate letter(s) and receipt of said gift in a reasonable timeframe. It is the overall responsibility of the Treasurer, or the assigned designee, to maintain and assure compliance with the requirements regarding acknowledgement and receipt of gift.

III. Authorization to Solicit Gifts

Members of the Board and/or any committee of the Organization or staff members are encouraged to identify, assist, and provide educational material on gifting to the Organization. Furthermore, the Board President or finance committee chairperson will ensure that the Organization has secured appropriate licensing to solicit in all states from which contributions will be solicited, unless it has been accurately determined that the organization is exempt from any such licensing requirement.
IV. Appraisal of Real or Personal Property Gifts
To protect the interests of the donor, as well as those of the Organization, legal and ethical requirements dictate that an appraisal of each gift, if required, be conducted by a qualified, independent appraiser. Generally, the cost associated with the appraisal will be the responsibility of the donor, however, should circumstances warrant, the board, or the assigned designee, is authorized to approve payment of said independent appraisal, with the approval of the Financial Committee.

V. Evaluation of Potential Costs Associated with Acceptance of Certain Gifts
Prior to accepting certain types of gifts that carry an associated cost (i.e., debt, closing costs, or physical enhancements on real property), it is essential that the cost be thoroughly evaluated prior to utilizing other resources of the Organization to meet this requirement. The authority and responsibility for prompt and careful evaluation of such associated cost is placed upon the finance committee, or the assigned designee. After careful consideration of all pertinent factors, if it is determined that use of the resources of the Organization resources is not prudent, a recommendation to decline said gift shall be made. If it is determined that the arrangement is prudent, then the gift may be accepted with the approval of the Finance Committee of the Governing Board. [This provision is most applicable to gifts of unusual assets that potentially carry liability issues, i.e., real estate, etc.]

VI. Acceptance and Administration of Restricted Gifts
In situations in which the donor restricts the use of gifted assets to a particular program, project, or portion of the Organization’s mission, it is the responsibility of the Organization to comply with the requirements, should the gift be accepted. The finance committee, or the assigned designee, is responsible for making appropriate arrangements to comply with the agreed upon restrictions in accordance with this policy. Such restricted gifts will be accepted in accordance with any naming or endowment policies of the Organization.

General Policies Pertaining to Planned Gifts:

I. Protection of Donor Interest
The staff, volunteers, and members of the Organization shall always consider making the interest of the donor with the needs of the Organization as the main priority in discussions and planning of gifts.

II. Confidentiality of Donor Information
All information, written or otherwise, pertaining to a donor, the donor’s assets, or the gift being presented to the Organization or the donor’s philanthropic intentions shall be held in the strictest confidence. Information on donors will be provided to individuals within the Organization on a need to know basis.

III. Legal Counsel
The Board President, or an assigned designee, may seek the advice of the legal counsel of the Organization in all matters concerning planned giving which involve any agreement, binding upon the Organization. It is neither the responsibility of the Organization, nor any of its staff or representatives, to provide legal or tax advice. It is in the best interest of the donor to request legal or tax advice from their own legal or tax advisors.
IV. **Authority for Negotiations**
The Finance Committee, or the assigned designee, is authorized to negotiate planned gift agreements with prospective donors, or their authorized representatives. Said authority may be delegated to another officer of the Organization, within limitations, set and approved by, the Chairman of the Governing Board or his or her designee.

V. **The Planned Giving Acceptance Committee**
The Finance Committee shall be charged with the responsibility to review all gifting situations that may be described in, challenge, or fail to meet, the criteria set forth in these policies. This Committee shall be comprised of those professionals who offer expertise in the various advisory capacities (i.e., legal, tax, financial and estate planning) and will enhance the indemnification of the Organization. Should any member of said committee hold a position, or hold any interest whatsoever in any outside institution, vendor, or donor situation, it is expected that said committee member shall excuse themselves from any deciding vote that may bind the Organization. In addition, any new gifting techniques or additional planning vehicles to be included in the infrastructure offered by the Organization, and the policies related to said techniques or vehicles will be developed and reviewed, by said Committee, prior to implementation. Furthermore, any financial institution that proposes investment or administrative services to the Organization must meet the requirements of this entity, as well as those of the Finance Committee and the Governing Board.

VI. **Authority for Approval**
The purpose of this section is to establish reasonable limits for the approval of planned gifts to protect the Organization, its donors, and the staff representatives and volunteers of the Organization. Planned giving agreements must be approved by the Board President, on written proposal by the authorized party of the organization, and/or their designee. The same individual(s) shall be authorized to approve any planned gift made by will or other estate planning instrument which is unrestricted in nature and funded with cash, publicly traded securities, or other financial instruments with a ready market value. Gifts of real property, interests in an operating business, or gifts that are unrestricted or restricted to designated purposes will be approved by the Finance Committee, or a like entity, without regard to the gift amount, and by the designated trustee/custodian assigned by the Organization. These agreements shall include: Charitable Remainder Unitrusts, Charitable Remainder Annuity Trusts, Charitable Lead Trusts, Charitable Gift Annuities, Pooled Income Funds, and gifts made by contract.

The same said authorized individual(s) shall further be authorized to approve agreements, as listed above, which are funded with real property or an interest therein so long as the Organization has been provided with: an appraisal or market evaluation of the value of the property furnished by a licensed real estate broker or agent that the property is readily marketable, for cash, at the proposed fair market value; an assessment of the property regarding environmental regulations and liabilities assurances from the donor that he/she will act as required by applicable laws and regulations to ensure that the resulting trust or other planned gift will qualify as a charitable entity; the gift is the entirety (100%) of the property or there is a commitment from the donor or other owners to immediately sell the nongifted interests in such property. Prior to acceptance of the real property or an interest therein, the designated trustee or custodian must also be provided with copies of all documentation listed above to meet its own compliance and regulatory issues.
XIII. **Management of Planned Gifts**

The Finance Committee, or the assigned designee, shall make recommendation to the governing Board as to how various types of gifts shall be administered. When deemed necessary, the Organization is authorized to utilize the services of outside service providers for the administration and management of said charitable gift plans.

Additional Considerations in Planned Giving

I. **Acceptance of Gifts to the Pooled Income Fund**

A Pooled Income Fund (hereinafter referred to as the PIF) shall be created to enable donors of the Organization to irrevocably contribute gifts of cash, marketable securities, to the PIF and retain a proportionate income interest in the PIF for the life or lives of up to two income beneficiaries, designated by said donor. The designated income beneficiaries shall receive a proportionate share of the net income earned by the PIF. At the termination of said income interest, the remainder interest shall be transferred to the Organization as the sole charitable beneficiary. The agreement for this PIF shall require a minimum contribution of $5,000 and additional contributions shall be accepted in the minimum amount of $1,000. Said income interest shall cover no more than two lives. Donor acknowledgement, as established in this policy, shall be the responsibility of the CEO, or the assigned designee. The PIF shall be maintained and administered by a Corporate Trustee at all times.

II. **Acceptance of Gifts to the Charitable Gift Annuity Program**

A Charitable Gift Annuity (hereinafter referred to as CGA) shall be created to enable donors, who meet the minimum age requirement as established by the Internal Revenue Service Regulations to make an irrevocable gift of cash, property or marketable securities to the Organization in exchange for a lifetime income annuity payment to the designated annuitant or their designee. The CGA will be managed in accordance with the regulatory code of any State in which the annuitant resides. Prior to acceptance of a CGA, it shall be the responsibility of the Finance Committee, or the assigned designee, to ensure that all regulatory issues are in compliance to applicable state laws. Gifts of real property cannot be accepted in a CGA from donors of the states of New York or California, until such time as the laws of those states permit such contributions. Each donor(s) of the CGA shall receive acknowledgement and deduction information gift in accordance with these policies.

Policy accepted by the board 12-19-2007; updated per board approval 02-17-2009

Ralph Spence, President