

CCARC FOUNDATION, INC.

## **Gift Acceptance Policies and Guidelines**

## **GIFT ACCEPTANCE POLICIES AND GUIDELINES**

The CCARC FOUNDATION, INC., a charitable organization recognized under Section 501(c)(3) of the Internal Revenue Code, encourages the solicitation and acceptance of gifts to CCARC FOUNDATION, INC. for purposes that will help CCARC FOUNDATION, INC. to further and fulfill its mission.

The mission of CCARC FOUNDATION, INC. is to support the programs and goals of CCARC, Inc. CCARC, Inc. was established in 1952 as a charitable organization to serve persons with disabilities from New Britain, Berlin and the surrounding communities.

CCARC FOUNDATION, INC. urges its donors, parents, and other friends to consider planned giving. Planned Giving is a term commonly used to describe a wide variety of giving vehicles that allow you to give to charity during your lifetime and/or after your death, while meeting your current income needs and providing for your heirs. Planned giving is typically done in conjunction with estate planning, and is a viable option for donors of all income levels.

### 1. Purpose of Policies and Guidelines:

These policies and guidelines govern the acceptance of gifts by CCARC FOUNDATION, INC. and provide guidance to prospective donors and their advisors when making gifts to the foundation. The provision of these policies shall apply to all gifts received by CCARC FOUNDATION, INC. for any of its programs and services.

### 2. Protection of Donor's Interest:

CCARC FOUNDATION, INC. and its representatives will urge all prospective donors to consult his or her financial and legal advisors for matters relating to their gifts and the resulting tax and estate planning consequences.

### 3. Use of Legal Counsel:

CCARC FOUNDATION, INC. shall seek the advice of its legal counsel in matters pertaining to its planned giving program when appropriate.

Review by counsel is recommended for:

- a) Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- b) Documents naming CCARC FOUNDATION, INC. as Trustee.
- c) Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation.
- d) Transactions with potential conflict of interest that may invoke IRS sanctions.
- e) Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee.

### 4. Restrictions on Gifts:

CCARC FOUNDATION, INC. will accept unrestricted gifts, and gifts for specific programs and purposes, if such gifts are not inconsistent with its stated mission, purposes, and priorities. CCARC FOUNDATION, INC. will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer,

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or gifts that are for purposes outside the mission of CCARC FOUNDATION, INC. The Gift Acceptance Committee will make all final decisions on the restrictive nature of a gift, and its acceptance or refusal.

5. The Gift Acceptance Committee:

The Gift Acceptance Committee shall be the members of CCARC FOUNDATION, INC.'s Board of Directors.

6. Authorization for Negotiation and Execution of Agreements:

The Board Members of the CCARC FOUNDATION, INC. are hereby authorized to negotiate planned giving agreements with prospective donors on behalf of CCARC FOUNDATION, INC.

The Chief Executive Officer and Vice President of Finance shall have authority to sign planned giving agreements on behalf of CCARC FOUNDATION, INC.

When property other than securities listed on a major exchange or cash is involved, recommendations or approval of the Gift Acceptance Policy Committee with corroboration of legal counsel when appropriate must be sought.

7. Confidentiality:

Donors shall be encouraged to notify CCARC FOUNDATION, INC. in writing of all will provisions and other planned gifts. CCARC FOUNDATION, INC. shall keep all information concerning wills and other planned gifts in confidence unless permission is obtained from the donor or their counsel or executor to release this information.

8. Acceptable gifts include:

- a) Cash
- b) Bequests
- c) Remainder Gifts
- d) Charitable Gift Annuities
- e) Real Estate
- f) Tangible personal property
- g) Life Insurance
- h) Retirement Plan Assets
- i) Publicly traded securities
- j) Closely held stock

9. The following criteria govern the acceptance of each gift form:

The following types of gifts may be accepted or agreements made with prospective donors:

- a) Cash:

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Cash is acceptable in any form. Checks shall be made payable to the CCARC FOUNDATION, INC. and shall be delivered to the Chief Executive Officer, in CCARC FOUNDATION, INC.'s administrative office, 950 Slater Road, New Britain, CT 06053.

Gifts of any amount will be encouraged.

b) Bequests:

CCARC FOUNDATION, INC. will encourage donors and supporters to make bequests to the foundation under their wills and trusts of specific percentage, residual, and contingent bequests that are restricted or unrestricted.

See CCARC FOUNDATION, INC.'s Bequest Intention Form and Confidential Enrollment Form. (Appendix A and B)

c) Remainder Gifts:

A donor may make a gift to CCARC FOUNDATION, INC., but continue to receive income for life or a term of years. He or she may also designate the income to go to another person for his or her life. Upon the death of the last income beneficiary, the principal will be added to CCARC FOUNDATION, INC.'s general fund, unless otherwise designated by the donor.

Remainder Gifts (annuity trusts and unitrusts), Pooled Income Funds, and Gifts of Income Interest (lead trusts), may be arranged through banking and trust institutions, with the interest income being made to the donor and his/her second named beneficiary (if chosen). Upon the death of the income beneficiary, the interest and/or principal will be available to CCARC FOUNDATION, INC. according to the spending policy of that trust institution.

d) Charitable Gift Annuities:

A donor may set up a gift annuity and continue to receive an income for life. A gift annuity differs from a remainder trust in that it is a contract between CCARC FOUNDATION, INC. and the donor whereby CCARC Foundation, Inc. agrees to pay one or two beneficiaries a fixed income for life—the older the beneficiary, the higher the payment rate. The American Council on Gift Annuities (ACGA), which promotes sound gift annuity rate recommendations that are adopted by virtually all U.S. nonprofit organizations that offer CGAs, sets gift annuity rates.

Charitable Gift Annuities may be arranged through area community foundations.

e) Gifts of Real Estate:

Gifts of Real Estate will be considered by the Gift Acceptance Policy Committee including gifts subject to retained life estates. The Committee may request a current appraisal of the fair market value of the property.

It is the policy of the CCARC FOUNDATION, INC. to dispose of all gifts of real estate (other than property that CCARC FOUNDATION, INC. wishes to retain) as expeditiously as possible. Thus, regardless of the value placed on the property by the donor's appraisal, CCARC FOUNDATION, INC. will attempt to sell the property at a reasonable price in light of current market conditions. The donor needs to be informed

that any such sale occurring within two years of the date of the gift will be reported by CCARC FOUNDATION, INC. to the IRS in Form 8282.

A Phase I environmental study performed at the donor's expense may be required for gifts of real property, including gifts from estates, at the discretion of the Gift Acceptance Committee. There may be exceptions for certain residential property.

The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanics liens and other limitations of record must be disclosed. A copy of the deed must be furnished.

The gift will be evaluated for acceptance by the following criteria:

- Is the property useful for the purposes of the CCARC FOUNDATION, INC.?
- 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, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

Prospective donors may be asked to fill out the CCARC FOUNDATION, INC. Gift of Real Estate Information Form, attached. (Appendix C)

f) Tangible Personal Property

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

- Does the property fulfill the mission of the CCARC FOUNDATION, INC.?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

g) Gifts of Life Insurance:

CCARC FOUNDATION, INC. must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift.

h) Gifts of Retirement Plan Assets:

Many individuals have assets in an IRA, 401(k), TIAA-CREF, Keogh or other retirement plan. These are effective plans for accumulating funds for later years. Often, assets grow tax-free until the time comes to use them for income in retirement.

One way to make a significant future gift is to designate CCARC FOUNDATION, INC. as the beneficiary of any plan assets you do not use during retirement.

Making a charitable gift of retirement plan assets can be as simple as requesting and completing a beneficiary designation form obtained from the plan administrator. The individual can then complete the Retirement Plan Beneficiary Confirmation Form attached. (Appendix D)

i) Publicly traded securities:

Marketable securities may be transferred to an account maintained at our brokerage firm (Appendix E-Instructions for Transfer of Securities), or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Investment Committee. In some cases, marketable securities may be restricted by applicable securities laws; in such instance, the final determination on the acceptance of the restricted securities shall be made by the Gift Acceptance Committee of the CCARC FOUNDATION, INC.

j) Closely held securities:

Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Gift Acceptance Committee of CCARC FOUNDATION, INC. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent CCARC FOUNDATION, INC. from ultimately converting those assets to cash,
- the security is marketable, and
- the security will not generate any undesirable tax consequences for CCARC FOUNDATION, INC.

If potential problems arise upon the initial review of the security, further review and recommendation by an outside professional may be sought before the Gift Acceptance Committee makes a final decision on acceptance of the gift. Every effort will be made to sell non-marketable securities as quickly as possible.

10. Documentation:

All gifts shall be accompanied by appropriate documentation. CCARC FOUNDATION, INC. shall notify potential donors of the necessity of obtaining a qualified appraisal and filing a complete IRS Form 8283.

11. Named Funds:

The CCARC FOUNDATION, INC. may establish Named Funds of a specified minimum amount. Gifts to Named Funds must have a present value equal to the minimum amount specified by CCARC FOUNDATION, INC. at the time the planned gift is made. Gifts to Named Funds under the stated minimum will be placed in the general fund earmarked for the purpose designated.

12. Modifications or Suspension of Guidelines:

CCARC FOUNDATION, INC. shall have the right to modify or suspend these guidelines when such action is deemed necessary or desirable.