YOUR COMMUNITY FOUNDATION
Asset Development Policies
Purpose

As donors establish funds at the Foundation, the Board must ensure that these funds can be managed effectively and in accordance with regulations and the law. These policies provide common guidelines for the acceptance and administration of all component funds.

Policy Statement

The following policies apply to all component funds accepted by Your Community Foundation, Inc.:

Minimum Investment: An endowment fund may be established with a minimum deposit of $1,000. The Fund must reach a $10,000 level within three years from the date of establishment. If the $10,000 level is not obtained, the amount in the fund may be placed in the Foundation’s General Fund to be distributed for similar charitable purposes through the grant process; and, the endowment ceases to exist. The Foundation Board could grant an extension to the donor organization if, in the Board’s determination, there exist extraordinary circumstances.

If the donor allows the principal balance in the Fund to fall below $10,000 for any given year, the donor will not be entitled to a distribution from the Fund until the Fund’s balance is at least $10,000, excepting fees paid to the Foundation for investing and administrative purposes.

Fund Agreements: All Foundation funds will be established using any one of the Foundation’s applicable fund agreements. Donors may name the fund and choose from three investment options: growth, balanced, or preservation of capital. Depending on the type of agreement, donors may also designate a beneficiary and advise regarding grants to other 501(c)(3) charitable organizations. Donors who have designated charitable bequests to the Foundation that will be used to create specific funds are encouraged to create a fund agreement in advance, for the file, to be used at the time the bequest occurs.

Guiding Documents: Distributions from component funds of the Foundation shall be made in accordance with the bequest language, letter of instruction, or fund agreement that generated the creation of the fund.

Distributions Amounts From Funds: Unless otherwise specified by the donor in the fund agreement, distributions from all funds will be made according to the Foundation’s spending policy. For distributions above and beyond the available annual distribution as determined by the spending policy, fund agreements must clearly state that the Foundation, in its discretion, may make a distribution from the fund in excess of the amount determined by the spending policy upon the request of the donor and/or the organization benefiting from the fund. Pass-through funds are noted as an exception to this policy.

Variance Power: All community foundations are required under United States Treasury Regulations to maintain the right to modify the terms of a fund instrument if, in the judgment of the Foundation’s Board, the restrictions and conditions of the fund become unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community. Under this so-called
“variance power” if a particular issue or field of interest ceases to exist, the Foundation will award grants to projects that are as close to the original purpose as possible.

Approval of New Funds: All new funds must be approved by the Board of Directors. A fund is not considered “accepted” until the Board of Directors has granted approval.

Reporting: Quarterly fund reports will be distributed to the donor who created the fund (or an appropriate designated representative). Donors can request in writing to receive additional information and every effort will be made to accommodate such a request.

Procedures

Adev.1, Proc.1
Establishing New Funds

The executive director/president (or a Foundation Director or representative) will meet with donors interested in establishing new funds to provide information regarding: types of funds that can be created; the Foundation’s investment, spending, and administrative fee policies; the irrevocability of all gifts and funds; the Foundation’s variance power; and the policies on minimum gift. The fund agreement, once drafted, must be approved by the Foundation’s Board of Directors and the Foundation’s investment organization.

Adev.1, Proc.2
Fund File Maintenance

A file shall be maintained for each fund created in the Foundation. Each fund file should contain:

1. Contact Information Sheet
2. A form summarizing the fund’s pertinent instructions (see Fund Summary Form in Appendix 4)
3. A Donor Information Sheet providing background on the donor(s) (see Appendix 4)
4. The original fund agreement.
5. Fund agreement drafts, correspondence, and documented conversations regarding the fund as it was being created.
6. All correspondence to and from the fund donor(s) related to the administration of the fund.
7. Any miscellaneous information concerning the donors (i.e. newspaper articles about the donor or donor’s family, obituaries, other announcements, etc.).

Upon creation of a new fund, the donor will be asked to complete the Donor Information Sheet. Staff should complete the Contact Information Sheet and Fund Summary Form.

Adev.1, Proc.3
Fund Reports

As soon as possible after the end of the Foundation’s fiscal year, the Foundation will send fund reports to donors. Such reports will show fund balances (beginning of year and year end), fund income, realized and unrealized gains and/or losses, and distributions made from the fund. Such reports shall indicate that the information provided therein has not yet been audited and may be adjusted upon completion of an independent audit.
Related Documents (Found in Appendix 4)

New Fund Worksheet
Donor and Honored Persons Information Sheet
Purpose

The Foundation provides a variety of fund options to meet both donor and community needs. The purpose of this policy is to provide donors with the appropriate charitable funding option through which they can fulfill these interests.

Policy Statement

The term endowment is applied to a variety of funds dedicated to building funds for perpetuity. They require a higher minimum investment and the principal must remain invested. The Foundation assumes reporting and investing responsibilities for the endowment which is permanent. Beneficiaries of an endowment may recommend reinvestment of all earnings, after payment of fees, in order to build the fund. An Agency Endowment may be described as donor advised, donor designated, or unrestricted.

Donor Advised Fund: A donor advised fund is a segregated fund or account administered by the Trust. The donor actively participates in the grantmaking process by recommending to the Foundation Board from time to time the purpose and/or organization(s) that might receive the available grant dollars from the fund. The Foundation’s Board of Directors has final approval of these recommendations.

Donor Designated Fund: Donor designated funds are those whose beneficiaries have been specified by the donor at the time the fund is created. The donor usually designates a specific agency or organization as the recipient.

Unrestricted Fund: Unrestricted funds are those donated without stipulations or conditions; the Foundation can use these with a free hand. These funds may also be called general funds, general purpose funds or discretionary funds, depending on the conditions set by the donor at the time of the gift. Income only or both income and principal may be used for grantmaking.

An Agency Endowment agreement can be tailored to a specific interest or organization. Differing from a standard endowment, granting may occur from the principal investment and interest as the donor prefers. This type of fund is commonly known as a Field of Interest Fund.

Field of Interest Fund: A field of interest is an area of personal interest that the donor feels strongly about and uses his or her donor designated or donor advised fund to grant to non-profit organizations that do work in that field. Fields of interest may include, but are not limited to, the arts, the environment, women’s services, education, youth services, religion and health. Within these limits, the Foundation may have full discretion in using the funds. Field of interest funds may allow use of principal as well as income or income only, as the donor wishes, for grantmaking.

Additional donor designated funds include:

Founder’s Fund: The Founder’s Fund is an existing endowment fund specifically designated for utilization by Your Community Foundation’s Board of Directors.
Memorial Funds: The donor can contribute to any Foundation fund in the memory of an individual or organization or more appropriately establish an endowment fund as previously described. The agreements for this specific type of fund can be tailored for a memorial.

Non Permanent and Pass-Through Fund: Nonpermanent funds that are given to the Foundation with the understanding that the entire principal will be distributed for charitable purposes. The recipients are designated by the donor. A donor may make a contribution one year and designate the charitable cause at a later time. (Adev.3 Pass Through Donations)

Scholarship Fund: This endowment fund is established by the donor specifically to assist students with the pursuit of education unless otherwise indicated in the fund instrument. Distributions are made in accordance with the YCF policies, providing funds to the specific institution in which the student is enrolled with verification of that institution. (See Appendix 4) Grants may also be awarded to educational institutions directly.

Procedures

See the Grantmaking section of this manual for policies and procedures regarding distributions from various types of funds.

Related Documents (Found in Appendix 4)

Establishing a New Scholarship – Selection Criteria and Process
Purpose
On occasion, donors desire to make gifts to the Foundation that will not be placed in permanent endowment funds. Rather, it is the donor’s intention to recommend the distribution of these funds in their entirety to bona-fide charities or charitable purposes. The Foundation calls such gifts, “pass through donations.” Pass through donations can enable a donor to accomplish several charitable giving objectives in a tax-advantaged manner. For example, a donor may be seeking a simplified way to support several charities through a gift of one block of appreciated stock, or a donor may want to make a charitable gift in one year without having to immediately determine which charitable causes to support. Some donors also wish anonymity for a gift. The purpose of this policy is to help donors enjoy the advantages of pass through donations while ensuring that the Foundation can efficiently manage such gifts.

Policy Statement
The Foundation will accept pass through contributions at any time during the year, regardless of whether the donor currently has an endowed fund at the Foundation. The donor must stipulate that a contribution will be treated as a pass through at the time of donation. That portion of the donor’s funds designated for pass through purposes will be held in a money market account or similar investment product to maintain liquidity for quick distribution.

The most common nonpermanent or (pass through) funds are:

- A nonpermanent advised fund, in which a single donor conveys a block of capital to be used in its entirety for the benefit of one or more organizations
- A single project pass through, established by multiples donors for a particular time-limited, common purpose
- A single project pass through “regranting” fund, established by a grant from another grantmaker. The YCF either “regrants” the money to another 501(c)(3), or administers an activity specified by the donor

Pass through donations will be charged an administrative fee according to the following schedule:

1. Pass through donations for scholarships, when there is no permanent endowed fund for such scholarships, will be charged a minimum $100 pass through fee, with the possibility of higher fees based on the services required to administer the scholarship. Fees will be negotiated prior to acceptance of the gift.

2. Pass through donations for non-scholarship purposes from donors who have not created endowment funds with the Foundation will be assessed a 10% of principal at market service charge or a minimum fee of $35.00 per staff hour plus 5% of principal, whichever is greater, on the total amount of funds to be distributed. The service charge is taken at the time the funds are distributed.

3. Donors who have initiated endowment funds may make pass through donations to their endowment fund. A donor may allow any or all of the pass through contribution to remain in
his/her endowed fund. However, if the donor designates a donation as pass through at the
time of the gift, it is understood by the Foundation that the donor eventually intends to
recommend charitable distributions from that block of funds (unless further instruction is
provided). Such contributions are subject to a 1% service charge assessed at the time that
the check(s) is written to the beneficiary(ies) if the pass through donation remains in the
donor’s account for less than 90 days. If the pass through sum remains in the donor’s account
for more than 90 days, then the Foundation collects its normal administrative fee for
permanent funds; no extra fee is imposed.

Procedures

Adev.3, Proc.1
Distributions from Pass Through Donations

To recommend a distribution from a pass through donation, the donor must complete the pass
through donation distribution form.

All distributions made from pass through funds must be made for bona-fide charitable purposes
and are assumed to be made strictly as recommendations, subject to the approval of the Board of
Directors of the Foundation, or their designee.

The minimum amount for distributions recommended from pass through donations is $100.00 per
distribution.

Recommendations may be made at any time; however, donors should allow ten business-days for
the full processing of a pass through check.

Related Documents (Found in Appendix 3)

Pass Through Donation Distribution Form
Purpose

The Foundation seeks to help donors meet their charitable goals while benefiting the communities and organizations served by the Foundation. The Foundation encourages donors to make outright, planned, and testamentary gifts and will accept gifts in a variety of forms.

Policy Statement

In conformity with Treasury Department regulations governing community foundations, gifts to the Foundation may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the Foundation from freely and effectively employing the transferred assets, or the income derived there from, in furtherance of its exempt purposes. Given that there are no material restrictions, the Foundation will accept gifts to create new funds (subject to the minimum gift amounts for new fund creation), to add to an existing named fund, or for unrestricted purposes in the form of the following assets:

Cash

The Foundation shall accept gifts of cash, checks, or money orders made payable to Your Community Foundation or any of its component funds. These gifts shall be receipted to the proper fund on a daily basis. Receipts will be mailed to the donor within a week of deposit.

Publicly-Traded Securities

The Foundation shall accept gifts of publicly-traded stocks, bonds, notes or other instruments for which value can be determined in the financial market place. These gifts should be made payable to Your Community Foundation. The Foundation shall make all decisions regarding the disposition or retention of these gifts. Generally, securities will be sold upon receipt (depending upon review of the Investment Committee) and the net amount (per IRS guidelines) will be credited to the fund to which the stocks were contributed (or in the case when a donor does not stipulate a specific fund, to the unrestricted funds of the Foundation).

Tangible Personal Property

The Foundation may accept gifts of tangible personal property, provided that the property is saleable and that the donor agrees that the property can be sold at the Foundation’s discretion. If the perceived value is more than $5,000, then the donor is required to obtain a qualified appraisal and submit it using IRS Form 8283. If the Foundation sells the property within two years, IRS Form 8282 will be filed by the Foundation, informing the donor and the IRS of the sale price. Unless the property is to be used in connection with the Foundation’s tax exempt purpose, it will be sold at the highest possible price as soon as possible after conveyance. The Foundation discourages gifts of personal property which cannot be readily sold or which require unusual expenses prior to sale. If a lengthy selling period for which expenses may accrue is anticipated, the Foundation may ask the donor to cover such expenses with a cash gift.
Real Estate

All proposed gifts of real estate must satisfy the requirements of the Foundation’s separate policies related to gifts of real estate (see Adev.6 Gifts of Real Estate).

Closely-Held Stock

All proposed gifts of closely held stock must satisfy the requirements of the Foundation’s separate policies related to such gifts (see Adev.5 Gifts of Closely Held Stock).

Bequests

The Foundation may accept bequests in any amount from people who direct in their wills or trusts that certain money or property be transferred to the Foundation. If such gifts are not directed to a specific fund of the Foundation or for the purpose of creating a specific fund, bequests shall be presumed to be intended to benefit the unrestricted funds of the Foundation.

Life Insurance Policies

The Foundation may accept gifts of life insurance policies provided that the Foundation is named irrevocable owner and sole beneficiary and that the Foundation and the donor reach a prior written agreement about arrangements for the payment of any required premiums.

Charitable Remainder and Lead Trusts

The Foundation encourages donors interested in doing so to create Charitable Remainder and Lead Trusts for the benefit of the Foundation. It is understood that Charitable Remainder foundations and other deferred gifts will be encouraged as vehicles the primary purpose of which are to make gifts to the Foundation. Such foundations will not be marketed as tax avoidance devices or as investment vehicles, as it is understood that such activity may violate federal and state regulations. At present, the Foundation does not serve as trustee of Charitable Remainder or Lead Foundations, only as beneficiary. The Foundation may, if necessary, assist in the selection of an appropriate and independent trustee. Upon the death of the life income beneficiaries and the transfer of the remaining principal to the Foundation, the minimum fund size policies will apply. Absent a recommendation for distribution to a component fund of the Foundation or instructions to create a new fund, such distributions will be presumed to be intended for the unrestricted funds of the Foundation.

Charitable Gift Annuities and Pooled Income Funds

At the present time, the Foundation has not established a pooled income fund and does not issue Charitable Gift Annuities.

Other Gifts

Gifts of other types of assets (e.g. stock options, oil and gas rights, timber rights, partnership interests, etc.) may be accepted but require review by the Foundation’s Executive Committee.

All assets conveyed by a donor to the Foundation are wholly owned by the Foundation and constitute an irrevocable gift. All gifts of assets will be liquidated as quickly as it is feasible and
prudent. When discussing potential gifts with a donor, Foundation staff and the Board of Directors should discuss with the donor:

- the importance of the donor seeking the advice of independent financial, investment, and legal counsel prior to making a gift;
- the irrevocability of a gift;
- the donor’s responsibility for obtaining necessary appraisals, filing appropriate tax returns, and defending any challenges to claimed tax benefits.

Unacceptable Gifts

Unless a specific exception is granted, the Foundation will not accept any gift that:

- violates any federal, state, or local statute or ordinance;
- creates a fund that could cause embarrassment to the Foundation;
- contains a condition that requires any action on the part of the Foundation that is unacceptable to the Foundation’s Board of Directors or Administration.
- commits the Foundation to name a fund where the gift is revocable in any way;
- requires the Foundation to employ a specified person at a future date;
- contains unreasonable conditions (i.e. lien or other encumbrance) on gifts of partial interests and property;
- requires payments for a family member of the donor;
- exposes the Foundation to litigation or other liabilities;
- requires the payment of maintenance costs or other expenses (e.g. debt service) for which no specific provision has been made; or
- appears to be financially unsound.

Procedures

Adev 4, Proc. 1
Acceptance of Gifts

Gifts received in the following forms can be accepted by the President (or his/her designee in the case of affiliate field personnel who may receive gifts of cash or checks):

- Cash
- Checks
- Publicly traded securities
- Gifts of tangible personal property estimated at less than $5,000 in value.

Gifts received in the following forms require review and acceptance by the Executive Committee:

- Gifts of tangible personal property estimated at $5,000 or more in value, including such gifts for the Foundation’s offices or specific/general programs
- Gifts that fall outside the Foundation’s mission, Articles of Incorporation, Bylaws, or general procedures
- Real property
- Life insurance
- Closely held stock
- Gifts of other assets as noted above under “Other Gifts”
The Foundation reserves the right to refuse any gift that it believes is not within the mission and purpose of this policy and the Foundation. If a gift is not accepted, the donor will be notified in writing immediately (electronic mail notification is permissible for this purpose provided that the donor has employed such for communication purposes and an acknowledgement of receipt of the communication is made). All gift reviews will be handled with confidentiality.

Adev.4, Proc.2
Gift Acknowledgements

The Foundation shall provide a timely written acknowledgment for all gifts, regardless of size of gift. In compliance with IRS regulations, all acknowledgments will include a detailed description of any goods and services provided in exchange for the gift.

The Foundation will acknowledge gifts of cash by either the date the cash is received by the Foundation (if hand delivered or mailed via a private carrier, i.e. Federal Express) or the date of the Federal postmark.

A gift of securities is considered complete upon the unconditional delivery of the asset to the Foundation or the Foundation’s agent. Instructions for the transfer of securities may be obtained from the Foundation. Guidelines for determining the date of gift are as follows:

<table>
<thead>
<tr>
<th>Delivery</th>
<th>Gift Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities are hand delivered.</td>
<td>Date the stock certificate and stock power are received by the Foundation or the Foundation’s agent.</td>
</tr>
<tr>
<td>Securities are mailed via the US Postal Service.</td>
<td>The latter mailing date of the stock power or the stock certificate.</td>
</tr>
<tr>
<td>Securities are mailed via an overnight delivery service (e.g. Federal Express).</td>
<td>Date the stock certificate and stock power are received by the Foundation or the Foundation’s agent--not the postmark date.</td>
</tr>
<tr>
<td>Securities are delivered to a bank, broker or the issuing corporation instructing the corporation to reissue the securities in the name of the Foundation.</td>
<td>Date the stock is transferred to the Foundation’s name on the corporation’s books.</td>
</tr>
<tr>
<td>Securities are delivered through DTC.</td>
<td>Date the donor yields control of the stock. The Foundation will verify the transfer date on all DTC deliveries and when possible, use the date the stock left the donor’s account.</td>
</tr>
<tr>
<td>Special circumstance: Securities are delivered through DTC but is wired to the wrong account.</td>
<td>The gift is not complete until the conditions for delivery through DTC have been satisfied.</td>
</tr>
</tbody>
</table>

The value of stock gifts will be calculated based on an average of the high and low value of the stock on the date of transfer. Gift acknowledgments will specify the stock company or companies, the number of shares, and the total value of the stock gift.

Related Documents (Found in Appendix 4)
Sample Gift Acknowledgment Letter
Sample Stock Gift Acknowledgement Letter
Purpose

Because closely held stock is not publicly traded, special consideration must be given to the acceptance of such gifts. The policy provides guidelines and procedures for accepting such gifts.

Policy statement

Gifts of closely held stock in any amount may be accepted by the Foundation but must be reviewed and approved by the Foundation’s Executive Committee.

As a general rule, gifts of securities are sold as soon as possible. The fund, which the donor established, is then credited with the proceeds from the sale, after commissions and expenses if any. In the case of gifts of stock of closely held corporations that are not readily marketable at the time of the gift, it should reasonably appear that the stock will be sold or converted into income-producing property within a specific time frame. In considering the sale of closely held stock, the Foundation will not guarantee or pre-arrange such sale or make any other agreement that might imply or cause a material restriction to be imposed upon the contribution.

On occasion, the Foundation’s Investment Committee may consider the annual dividend and overall return of a closely held stock sufficiently attractive that the Foundation may hold that stock for a longer period of time than others. If the Foundation, in consultation with the Investment Committee, decides to hold any closely held securities, the securities will be held as an asset of the specific fund to which they were given. Distributions from a component fund invested entirely in closely held stock are limited to the income earned by those securities less fees assessed by the Foundation. The spending policy in effect for component funds does not apply.

The following policies pertain to gifts of closely held stock:

**Donor Responsibilities**

The donor is responsible for obtaining a qualified appraisal complying with IRS regulations to ascertain the value of the gift for federal income tax purposes, including the preparation of Form 8283 (“Noncash Charitable Contributions”).

The donor is responsible for preparing the appropriate instruments needed to transfer the stock to the Foundation. All proposed transfer instruments must be reviewed by the Foundation’s legal counsel prior to acceptance by the Foundation.

The Foundation’s legal counsel shall review any shareholder, buy-sell, or other agreements that appear to impose any restrictions or limitations upon the sale or transfer of the stock.
What the Foundation Will Not Do:

- Except in extraordinary circumstances, the Foundation will not pay for legal assistance, appraisals or other services on the donor’s behalf. Any such payments shall be reported as income to the donor and shall be in accordance with all legal and ethical requirements.

- The Foundation will not establish the value of any property for the purpose of substantiating the donor’s income tax charitable deduction.

- In many cases, upon the subsequent sale of closely held stock, there will be a stock purchase agreement setting forth the proposed terms and conditions of sale. The Foundation cannot join in or participate in the issuance of warranties and representations and in indemnification agreements.

- The Foundation will not give any covenants not to compete.

Fees

Closely held stocks vary greatly from company to company. Some can be sold and the resulting assets reinvested by the Foundation almost immediately. In those cases, the regular Foundation fees will be assessed to the Fund established. Other securities have no immediate marketability, but present the potential for long-term capital appreciation. Some of the closely held stocks that the Foundation, at the advice of its Investment Committee, may choose to hold produce significant dividends, while others produce little or no dividends. Given this wide disparity of situations, the Foundation reserves the right to establish fee agreements for each of the stocks donated that will best serve the long-term interests of the Foundation. All fee arrangements will be discussed and presented in written form to donors prior to the donation of the closely held stock. All fees are subject to change.

Procedures

Adev.5, Proc.1 
Accepting Closely-Held Stock

After the requirements of this policy have been satisfied, the Executive Committee will have the authority to accept or refuse a gift of closely held stock. The Executive Committee may refuse any offered gift of closely held stock that is judged not in the best interests of the Foundation.

Prior to or upon transfer of the stock to the Foundation, the donor and the Foundation will sign an agreement (approved by legal counsel) stating the terms of the gift, which shall specify that there are no restrictions on the Foundation’s right to convey the property.

In negotiating the sale of closely held stocks, a fair market value (price per share) will be established at the time of the sale. No warranty is given by the Foundation that the valuation will be acceptable to the IRS. In some cases, the Foundation may obtain an independent appraisal of the value of the stock prior to agreeing to a proposed sale of the stock.
The donor will be advised that if the property listed on IRS Form 8283 is sold, liquidated, or otherwise disposed of within two years of receipt, the Foundation is required to file a separate report within 125 days with the IRS on Form 8282 (“Donee Information Return”).

Adev.5, Proc.2
Acknowledging Gifts of Closely Held Stock

A gift of closely held securities is considered complete upon the unconditional delivery of the asset to the Foundation. Guidelines for determining the date of gift are as follows:

<table>
<thead>
<tr>
<th>Delivery</th>
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<tr>
<td>Securities are hand delivered.</td>
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<td>The latter mailing date of the stock power and the stock certificate.</td>
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<td>Date the stock certificate and stock power are received by the Foundation or the Foundation’s agent—not the postmark date.</td>
</tr>
</tbody>
</table>

The value of the stock gift will be based on the qualified appraisal. Gift acknowledgments will specify the stock company or companies, the number of shares, and the total value of the stock gift.

Related Documents
Sample Stock Gift Acknowledgement Letter
Purpose

Due to potential liability issues, gifts of real estate require special review and consideration by the Foundation. This policy outlines factors to be considered in accepting gifts of real estate and procedures by which the Foundation will review and consider such gifts.

Policy Statement

The Foundation will consider gifts of real estate with an estimated value of $10,000 or more. Gifts of real estate can be given to establish a new named fund (subject to minimum gift requirements), as an addition to an existing fund, or for unrestricted purposes. Such gifts must be reviewed and approved by the Foundation’s executive committee. Donors should be advised that gifts of real estate require an average of 6-8 weeks to be considered and executed. Also, as a rule, gifts of real estate will be liquidated as quickly as feasible.

The Foundation assumes no responsibility for providing financial, investment, or legal advice to donors but shall encourage all prospective donors to seek independent financial, investment, and legal advice prior to entering into any real estate transaction with the Foundation.

Property which is subject to liens, unpaid mortgages, deeds of trust, judgment liens, unpaid taxes or assessments, mechanics’ liens or other encumbrances will be accepted only in exceptional circumstances and upon advice from the Foundation’s legal counsel. If accepted, property that is subject to encumbrances will be evaluated as a “bargain sale” (a bargain sale is an arrangement whereby a donor offers property to the Foundation for an amount less than its current fair market value.)

Adev.6, Proc.1
Procedures for Acceptance of Gifts of Real Estate

• Upon initial inquiry, donors should be directed to speak with the Chairman. The donor will be asked to complete a property inquiry form and return it to the Foundation with appropriate maps and documentation (see Appendix 4).

• Following an offer of a gift of real estate, an authorized Foundation representative will visit the property. A representative may be a local realtor or an individual selected by the Executive Committee. The purpose of the visit will be to determine the nature and type of the property and to identify any potential problems not evident from initially supplied information that would hinder or prevent the Foundation’s sale of property.

• Whenever practicable, arrangements will be made to have a realtor analyze the property to evaluate the existence of a market for such property.

• The donor is responsible for obtaining and paying for a qualified appraisal complying with IRS regulations to establish the value of the gift for federal income tax purposes.
The donor must furnish the Foundation with evidence of title, which shows that title to the property is free and clear except for current real estate taxes and restrictions of record, which would not create any economic burden on the Foundation. In general, the Foundation will require that title be conveyed to it by a general warranty deed.

The Foundation will obtain a Level 1 Environmental Impact Audit. The cost of the study will be charged to the donor. No property will be accepted if there is a likelihood of any liability that could attach to the Foundation as a result of its taking title to the property. The Environmental Study report must be addressed to the Foundation for future liability protection.

Prior to accepting a gift of real estate, an analysis of the anticipated cash flow in the proposed transaction will be done. This analysis shall determine the maximum exposure the Foundation may incur and the level of risk that is associated with the receipt, ownership, and eventual sale of the property.

Prior to acceptance of the property, the Foundation and the donor must agree in writing on arrangements for paying expenses associated with the property, such as commissions, real estate taxes, utilities, insurance, and maintenance costs. Generally, the Foundation will not advance funds for the payment of such expenses. However, in some pre-approved circumstances, arrangements can be made to take the expenses associated with the transaction from the proceeds of the sale. Donors should consult with their professional advisors as to the tax-deductible nature of such expenses.

After the above requirements have been satisfied, the Executive Committee will have the authority to accept or refuse a gift of real property. The committee will weigh carefully its ability to manage the property for the time necessary to sell the property. Acceptance of income-producing property may subject the Foundation to unrelated business income tax, so such properties must be considered carefully.

It is advised that the donor express in writing that the property is a gift and that s/he clearly specifies what the Foundation can and cannot do with the property. The more restrictions the donor places on the use or disposition of a property, the greater the risk to the donor of having its charitable contribution deduction challenged by the IRS. When questions arise, such a letter plays an important role in preventing any “misunderstandings” between the donor, his or her heirs, and the Foundation.

It is the donor’s responsibility to prepare the deed and other instruments that are necessary to transfer the property to the Foundation. The Foundation’s legal counsel must review all proposed transfer instruments prior to acceptance.

Legal title to all real property conveyed to the Foundation shall be held in the name of YOUR COMMUNITY FOUNDATION or shall be conveyed to a trust of which the Foundation is the ultimate remainder beneficiary.

The Foundation will secure title insurance in the full amount of the value of the gift parcel of real estate.

The Foundation shall acquire property insurance to cover casualty losses to any improvements on the real estate and, if such improvements are located in a HUD designated flood area, obtain flood insurance, if available.
♦ If the gift is accepted, staff will have the deed recorded, acknowledge the gift and provide the donor with IRS Form 8283 which must be signed by a Your Community Foundation representative and the appraiser, and submitted to the IRS by the donor. (This form substantiates the charitable deduction for real property in excess of $5,000 in value.) Establishing the value of the gift is the responsibility of the donor.

♦ After accepting a real estate gift, arrangements will be made to sell the property through a qualified real estate professional. While it is anticipated that in most circumstances the sale price will equal or exceed the appraised value of the property, the terms of the sale will take into account current market conditions, availability of financing and other factors. The Executive Committee must approve any offer that is below 70 percent of the appraised value.

♦ If the Foundation sells the property in two years or less, the Foundation must file IRS Form 8282 informing the donor and the IRS of the amount for which the property sold.

**Related Documents (found in Appendix 4)**

Donor Inquiry Form
YOUR COMMUNITY FOUNDATION
Adev.7 Establishment of Area Funds

Purpose

Your Community Foundation recognizes that specific donors and/or communities may have interest in developing a pool of unrestricted assets to benefit a particular geographic area. To foster this interest, the Foundation encourages the development of “Area Funds,” which enable communities to build a flexible pool of assets and advise the Foundation on how to best use those assets to meet the area’s charitable needs and opportunities. Such funds may be initiated by particular donors and/or community leaders, or in some cases the Foundation may initiate the development of an Area Fund. This policy outlines conditions under which the Foundation will accept Area Funds.

Policy Statement

Your Community Foundation will accept the creation of an Area Fund to benefit a specific geographic community provided the following:

1. The purpose of the fund will be to build a permanent pool of funds to benefit the charitable needs of a geographic area to be specified in the fund agreement.

2. The fund must meet the Foundation’s requirements for fund acceptance, including minimum requirements for establishing a fund, and all gifts must comply with the Foundation’s policies for gift acceptance. The fund will be subject to the Foundation’s administrative fee policy, and distributions will be made according to the Foundation’s spending policy.

3. The fund will be established as a donor-advised fund, with an advisory committee comprised of residents of the geographic area to benefit from the fund. The Foundation recommends that such committees be comprised of between 5 and 15 individuals. The initial advisory committee shall be appointed by the Foundation, based on recommendations from the community; subsequent vacancies on the advisory committee shall be filled by the majority vote of the remaining members of the committee. Advisory Committee members shall serve three-year terms, with the exception of:

♦ The initial advisors appointed, who shall be divided into three classes as nearly equal in number as possible, with the terms of one class being one year, one being two years, and one being three years. The terms of the advisors in each class shall expire in the same year, and in each year the terms of all the directors in one, and only one, class shall expire

♦ Those advisors elected to fill vacancies occasioned by death, resignation, or removal of an advisor before the expiration of such advisor’s appointed term, in which case such advisor will serve the remainder of the unexpired term of his or her predecessor.

No advisor shall be eligible to serve more than three (3) consecutive full three-year terms. Twelve full months must elapse before such person is again eligible for reelection to the advisory committee.
The advisory committee may elect officers, including a chairman and vice chairman, to facilitate its operations.

4. The advisory committee is responsible for building the assets of the Area Fund and making recommendations on distributions from the fund. While the Foundation is not in a position to raise money for this specific fund, the Foundation will provide, upon request, practical suggestions and technical assistance in creating a plan of action for asset development. All fundraising activities are subject to the Foundation’s policies on Fundraising for Component Funds. The Foundation may also assist, upon request, in developing procedures for making grants from the fund. Recommendations for grants from the fund must be submitted on the Foundation’s Donor Advised Fund Recommendation Form and are subject to review and approval by the Board of Your Community Foundation.

5. If the advisory committee becomes inactive for a period of six or more months and is not responsive to efforts of Your Community Foundation’s staff to reactive it, Your Community Foundation may assume responsibility for grantmaking from the Area Fund.

**Procedures**

None

**Related Documents**

Donor Advised Fund Recommendation Form (found in Appendix 5)
Purpose

The Foundation recognizes that some individuals interested in charitable giving will wish to do so by forming an entity known as a “supporting organization.” A supporting organization is an IRS-approved vehicle for charitable giving, the purpose of which is to allow the donor to provide charitable support to one or more specified charitable organizations without an outright gift of assets to those organizations while maintaining a voice in the use of the assets. By affiliating a supporting organization with the Foundation, the supporting organization obtains public charity tax status while maintaining a separate identity and an independent, active role in the nonprofit community. For individual donors, a supporting organization is an excellent way to gain the participation and visibility traditionally associated with a private Foundation without the overhead or paperwork. For private Foundations concerned about continuity or maintaining their impact, supporting organizations provide a simple, effective way to ensure that the Foundation’s mission can be fulfilled over time. This policy provides overall guidelines for the establishment of supporting organizations.

Policy Statement

Type of Supporting Organization

The Foundation generally will support only “Type I” supporting organizations, within the meaning of Internal Revenue Code Section 509(a)(3); that is, those supporting organizations that are “controlled by” the Foundation because the Foundation appoints the majority of the directors of the supporting organization’s board. The Foundation may not appoint “disqualified persons” - generally those related to the donors or their business. The Foundation will seek input from the donors as to representatives and will seek to appoint individuals with knowledge of the intended service area and fields of interest. Members will be appointed by the Foundation’s chairman and ratified by the Foundations Board.

The supporting organization shall establish its own name and identity and may maintain active participation in grantmaking activities and may publish its own annual report, newsletter, and other forms of outreach as it chooses. Furthermore, with capacity, the supporting organization may choose to hire paid representation or staff.

Minimum Asset Value

A supporting organization of the Foundation shall be funded with a minimum donation of $2,000,000. The gift can come in the form of cash, publicly-traded securities, or, with approval, more complex property, such as restricted stock, closely-held securities or real estate. All assets conveyed by a donor for the purpose of creating or adding to a supporting organization are wholly owned by the supporting organization and constitute an irrevocable gift.
**Investment Options**

The supporting organization may pool its assets with the Foundation’s assets for investment purposes or have its own specialized investment policy and investment manager.

**Fees**

The Foundation will provide general administrative services to the supporting organization and as such will charge an annual administrative fee. The minimum annual fee will be 1% of the Fair Market Value of the supporting organization’s assets, but the Foundation reserves the right to charge higher fees based on the services provided by the Foundation to the supporting organization. In some cases, supporting organizations will request that the Foundation supply extensive services, such as staffing for grantmaking, public relations, etc. Therefore, the fee structure will be determined to a large extent on the needs of the particular supporting organization. Supporting organizations also will be responsible for direct costs of running the supporting organization, such as investment management, insurance fees, legal/accounting services, and publication costs. Some of these added costs will apply in nearly every case. The legal cost of establishing the supporting organization and obtaining IRS approval are paid by the donors to ensure that their needs are given greatest consideration.

**Financial Reporting Requirements**

The market value of the supporting organization’s assets shall be reported to the Foundation on a quarterly basis. The supporting organization must have an annual independent audit (at the supporting organization’s expense). Audited financial statements and the IRS Form 990 must be provided to the Foundation annually.

**Conflict of Interest**

Supporting organizations shall adopt conflict of interest policies consistent with the Foundation’s policies to ensure that the awarding of grants and employment of service providers is free of conflicts.

**Procedures**

None

**Related Documents**

None
Purpose

In working with donors and their professional advisors, Foundation representatives may become privy to financial information of a confidential nature. To ensure that Foundation representatives do not materially benefit from this knowledge, and to ensure that the knowledge obtained in the Foundation representatives’ official capacity does not in any way affect the value of the assets or the financial interests of the donor or violate federal or state securities laws, the Foundation subscribes to standards of confidentiality.

Policy Statement

All agreements and all information concerning donors and prospective donors shall be held in strict confidence by the Foundation, subject to legally authorized and enforceable requests for information by governing agencies and courts. All other requests for donor information will be honored or allowed only if the donor grants permission, in writing, prior to the release of such information.

Other YCF information, including YCF records and copies of and excerpts from those records should not be used by, disclosed to, or discussed with anyone except coworkers who are specifically authorized to have access to and need such information as a part of their Foundation responsibilities; that person’s supervisor; the Chairman of the Foundation; a person authorized by the customer, client or affiliated entity to have access to this information; as ordered by a court; or as otherwise required by law. YCF representatives must take reasonable steps to safeguard all Foundation information, including storing and communicating it in a manner that will protect it from unauthorized disclosure. When a YCF representative’s relationship with the Foundation ends, all YCF information must be returned to the YCF offices.

Additionally, If a Foundation representative gains knowledge of financial dealings involving such situations as the value or ownership of a closely held corporation; the decision of a corporation to become publicly traded; the retirement of leaders in a corporation or any change in executive responsibilities; the possible takeover or merger of a corporation; or, similar situations that may be considered as access to “insider information:”

♦ No Foundation representative or his/her family or other disqualified individuals possessing any such insider information may buy or sell shares in the affected companies.

♦ The Foundation representative may not discuss any aspect of the situation with any other Trust representative or any other individuals, inside or outside the Foundation, unless there is a need to involve particular staff members or legal counsel or others because their advice, input or participation is necessary to meet the charitable needs of the donor.

The Foundation representative must treat this information as strictly confidential and should use extreme caution when referring to the situation.
Procedures
None

Related Documents
None
Purpose

Frequently, donors or donor groups who have created funds with the Foundation wish to conduct fund raising events to add to the principal of such funds. In addition to raising money, events provide opportunities to recognize special people, to increase a fund’s visibility, and to revive or maintain community support. Regardless of who actually conducts the fundraising event, if it is undertaken on behalf of a component fund of the Foundation, the Internal Revenue Service, the State of West Virginia and the Foundation consider that it is conducted BY the Foundation. Fundraising events cause a number of significant tax and accounting issues to arise that require consideration. For example, if proper receipts are not distributed or if they contain inaccurate information, the IRS can levy a penalty tax against the Foundation. The Foundation can also be penalized if proper solicitation disclosures are not made. Thus, it is important that these activities be conducted under the observation and fiscal guidance of the Foundation to ensure that donors are entitled to the appropriate tax deductions, to protect the Fundraising Groups from unintended tax consequences to themselves, and to ensure that the Foundation is not exposed to penalties for failing to make proper solicitation disclosures. This policy statement and accompanying procedures outline requirements for fundraising for component funds so that such events are in compliance with regulations.

Definitions

Fundraising Group -- An individual donor or group of volunteers associated with an existing component fund or group of funds who wishes to conduct a fundraising event for such fund/s.

Fundraising Event -- Includes, but is not limited to, things such as receptions, dinners, parties, arts or entertainment events, auctions, ad books, tag sales, raffles, casino nights, golf tournaments or other similar activities.

Policy Statement

Before undertaking public fundraising events, the Fundraising Group must submit in writing, a proposal describing the proposed fundraising event and obtaining advance written support from the Foundation. The Foundation is responsible for replying to all proposals within five working days. Once the proposal is accepted, the Fundraising Group may then proceed according to the guidelines in this policy.

The Foundation shall not generally support any donor-initiated fundraising projects that are primarily commercial in nature or that do not comply fully with all applicable legal requirements, including but not limited to the issues of private inurement and excess benefit rules as they apply to such events. The Foundation shall not support activities that would cause it to potentially be subject to unrelated business income tax (a nonprofit is subject to unrelated business income tax if it earns income from a "trade or business" which is "regularly carried on" and "unrelated" to its mission).

The Foundation does not have sufficient staff to routinely engage in special event fundraising for each component fund. Therefore, direct staff involvement in conducting a special fundraising event
will only be considered for those cases where the project is viewed as one of broad community interest and/or one that offers significant organizational benefit.

When a public fundraising event is approved by the Foundation, all uses of the Foundation’s name in advertising and promotion must also be approved in advance by the Foundation. All fundraising materials should make clear where applicable, that funds are not being raised by the Foundation or for the benefit of the overall trust operations.

An administrative fee (in addition to the normal Foundation administrative fee levied on component funds) may be charged if extra administrative services will need to be expended by the Foundation. Actual expenses will be charged to the component fund if any expense (literature, postage, advertisement cost, etc.,) is incurred by the Foundation.

For approved public fundraising events, the responsibility of the Foundation is to:

- Manage such money and property as it may accept into the component fund from donors, other contributors and sources;
- Apply income and principal to charitable uses, all in accord with the governing documents of the Foundation; and,
- Provide appropriate acknowledgments to donors.

The Fundraising Group retains responsibility for all public fundraising events and matters related to them including:

- Payment of all costs and expenses;
- Compliance with laws;
- Reporting and other requirements of every kind such as licensing, tax payment, and liability insurance covering the Fundraising Group and the Foundation as appropriate; and,
- Obtaining and providing the Foundation with all requested fundraising records. Note that all fundraising records must be retained for a minimum of seven years.

When soliciting contributions, certain language must be included in solicitation letters. See Appendix 4 for the list of such information.

**Procedures**

Adev.11, Proc.1  
**Designation of Checks and Receipt of Cash**

All proceeds, checks and cash, must be delivered to the Foundation along with an accounting of all money received within one week after the fundraising event. Cash receipts must be deposited intact. That is, cash receipts are not to be used to pay expenses, and then the net cash amount deposited. Checks related to the event must be made payable to the component fund of the Foundation or to the Foundation with a note indicating to which fund the contribution should be deposited.

Adev.11, Proc.2  
**Payment of Expenses**

The Fundraising Group is responsible for all expenses and maintaining appropriate financial controls and records related to fundraising events. The Fundraising Group will establish a budget.
for submission to the Foundation prior to all events. How expenses will be paid (either by the
Fundraising Group or by the Foundation) must be discussed and agreed upon prior to the event.
Regardless of who pays for expenses, copies of invoices and receipts must be provided to the
Trust for the Foundation’s record keeping. If expenses exceed the approved budgeted amounts or
the net income anticipated from the event, the Foundation will not be held responsible for the
difference.

After expenses for the fundraising event have been paid from the proceeds of the event and
remitted to the Foundation, the Foundation will reimburse the Fundraising Group for any expenses
it has paid so long as invoices and sufficient proof of payment are provided. Any additional related
event expense will be charged to the component fund that is the beneficiary of the fundraising
event.

Any expenses to be paid or reimbursed by a component fund assigned to an Affiliate Foundation
must be approved by the Board of Directors of the appropriate Affiliate.

Adev.11, Proc.3
Tax Requirements and Acknowledgments

The IRS has imposed strict requirements that impact any fundraising. If the steps outlined in this
paragraph are not taken, donors will be denied a tax deduction; the Fundraising Group might find
itself unexpectedly subjected to tax on the funds it raises; and either the Foundation or
Fundraising Group can be subject to penalties.

Donors who contribute $250 or more must receive a timely written acknowledgment from the
Foundation in order to claim a tax deduction for the contribution. For gifts of less than $250, the
individual’s check may serve as evidence of their gift but generally, although the IRS does not
require it, donors who contribute less than that amount expect a written acknowledgment for their
own tax records as well. The Foundation will provide the appropriate acknowledgment to donors,
but requires certain detailed information to be collected for this purpose.

Specifically, the Fundraising Group will need to provide the Foundation with:

1. The donor’s complete name and address;
2. The date and amount of the contribution;
3. Whether the contribution was in cash or property (All gifts of property must be discussed with
   the Foundation’s president prior to acceptance).
4. If property, a description of the type of property and a good faith estimate of the fair market
   value; and,
5. A detailed description of any goods and services provided in exchange for the contribution. A
   donor cannot receive a charitable deduction for any portion of a gift for which he/she has
   received any goods or services.

Contributions of services, while appreciated, are not generally deductible.

If the Fundraising Group provides goods or services in exchange for a donation, certain
disclosures are required to be made upon solicitation. For example, if the group is sponsoring a
dinner, the donor can only deduct the excess of the ticket price above the fair market value of the
dinner and can only do so providing the Fundraising Group has itemized the value of the dinner on
the invitation at the time of the solicitation. The receipt must disclose the fair retail value of the
benefit received and clearly note that only the amount of the contribution exceeding the value of
the benefit may be deducted. This limitation on the deduction, known as a “quid pro quo
disclosure,” must be disclosed at the time of solicitation. Disclosure on the ticket to the event is the typical method for making this disclosure. The Foundation will assist the Fundraising Group in determining the fair market value amounts and the appropriate disclosure language for the event. In order to do so, it is important that the group work with the Foundation prior to any solicitation activity. Information pertaining to the event, such as ticket prices and the value of the goods or services donors are to receive, will need to be discussed. The Fundraising Group needs to see that the required quid pro quo disclosures are made.

Be aware that:

- Raffle tickets are not tax deductible. This must be stated clearly on the face of distributed tickets.
- Rummage Sale purchases are not tax deductible.
- Auctions – Legal counsel for the Foundation will need to review, on a case-by-case basis, any proposed ideas for an auction. At that time, tax deductibility of items will be determined.
- The value of any goods or services received by a donor is not tax deductible.

An important distinction to make donors aware of is that gifts of property, for example, a ring donated by a jeweler to be raffled, will be acknowledged at the actual cost of the gift to the provider, not the retail cost. Similarly, a gift of artwork to the Foundation for the purpose of a raffle, if donated by the artist, must be acknowledged as the value of the artist’s cost of materials --- not the potential resale value.

**Adev.11, Proc.4**  
**Liability Insurance and Liability for Losses**

Organizers of the event agree to indemnify and hold harmless the Foundation from any and every claim, demand, suit and payment related to or caused by the event. The Fundraising Group will contact the Foundation prior to having a fundraising event to assess the need to secure liability insurance for itself and for the Foundation. Insurance coverage must be reviewed and approved by the Foundation and paid for by the Fundraising Group. The Fundraising Group is responsible for all losses incurred by events. The Foundation will not be held responsible for such losses. The Foundation may require the Fundraising Group to purchase a letter of credit or provide a written personal guarantee. Should any expense be required for such coverage, any expense incurred by the Foundation in securing a rider to its liability policy to cover the event will be charged to the event or to the associated component fund of the Foundation.

**Adev.11, Proc.5**  
**Use of a Trust Bulk Mail Permit**

In general, the a Foundation Bulk Mail Permit may not be used by Fundraising Groups. All bulk mailing will be accomplished in accordance with the instructions provided by the Foundation’s Central Office staff person responsible for bulk mailing. The expense of the mailing will not be borne by the Foundation; it must be sponsored by a contributor, paid from the proceeds of the event or paid from the component fund with which the fundraising activity is associated.

**Exceptions to this Policy:**

If the fundraising event is conducted by another qualified 501(c)(3) organization and that organization has agreed to hold responsibility for donor receipting and acknowledgments, the fundraising policies of that organization apply. In this case, net proceeds from the event or activity
can then be transferred to the Foundation as a gift from the sponsoring organization, rather than as gifts directly from individuals. In such instances, the Foundation will not assume any organizational relationship to the event nor associated responsibility for donor receipting or record keeping. If the Foundation’s name or that of a component fund of the Foundation is to be used in conjunction with a fundraising event conducted by another qualified 501(c)(3) organization, use of the Foundation’s name or component fund must be approved by the Chairman of the Foundation in advance of the event or any fundraising.

**Related Documents (Found in Appendix 4)**

Sample Language Required for Solicitations
Appendix 4

Related Documents for Asset Development Policies
YOUR COMMUNITY FOUNDATION, INC.

New Fund Worksheet

Please complete the following worksheet as the first step in setting up a fund at the Your Community Foundation. The information will help us to develop a draft fund agreement that expresses your best intentions for the purposes and future granting from the fund. The worksheet should also assist in you in understanding the various aspects of charitable giving to meet your future goals.

The worksheet is a Word document which you may complete on the computer and email to us at ycf@ycfwv.org

Or, You may print and mail the information to:

YCF
P.O. Box 409
Morgantown, WV  26507

If you need help completing the forms or have any questions related to the specific type of fund in which your are interested please contact President, Jane Doe at 304.296.3433 or stop by our office at 111High Street, Morgantown, West Virginia.
# 1. CONTACT INFORMATION

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2. **ADVISOR INFORMATION**

Often, a donor’s decision to contact the community foundation is based on the advice of their accountant, attorney or other financial advisor. Advisors may also be involved in the transfer of assets into your new fund. For this reason, it may be necessary to contact these advisors. This information will not be shared outside YCF.

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3. **Naming Your Fund**

The name of your fund may reflect any of the following:

- Honor a beloved family member or loved one
- Recognize the donor(s) to the fund
- Identify the fund with the specific agency or organization it benefits,
- Identify the fund with a geographical area it benefits, or
- Associate the fund’s purpose with a particular area of interest or cause

The fund’s name is important because it is used in all marketing materials. Donors address their checks to the fund by name. Most importantly, the name of the fund conveys your purpose to potential donors.

Alternatively, you may name your fund and still make grants anonymously as you select in the following questions.

---

**Fund Name**

---

**Donor and Fund Anonymity**

i. Does the donor want to be identified as a donor to YCF? Yes __ No __

ii. Does the donor permit publicity regarding the fund? Yes __ No __

iii. Does the donor want his/her name and address given to grantees so they can thank the donor directly? Yes __ No __

iv. Does the donor want his/her name listed in YCF publications? Yes ___ No ___

v. Does the donor want his/her fund listed in the annual report or other publications? Yes __ No __

vi. Does the donor want the fund amount listed in the annual report? Yes __ No __
4. **Fund Type and Investment Options**

YCF provides a variety of funds to meet both donor and community needs. You may choose to

- express a lifelong commitment to a particular charitable field and support that interest,
- designate a specific charity or charities to receive income from your gift or fund, or
- provide an unrestricted gift, allowing the Foundation to determine where needs and opportunities are greatest in the community.

In addition, you and possibly your family may choose to be actively involved as advisors to the fund. These choices or a combination of these choices are available to you through the following fund opportunities at YCF.

Most funds are permanent endowments, but some allow distribution of principal. Each is tailored to the needs and interests of the donor and reaches into the community in its own unique way. You can name your own fund or you can contribute, in any amount, to an open fund of YCF.

**DONOR ADVISED FUNDS** allow you to contribute assets to your fund at any time and then recommend grants to support charitable groups of your choice. They are a flexible, personalized way to support nonprofit groups in the greater Morgantown area, elsewhere in the region or anywhere in the world.

**DONOR DESIGNATED FUNDS** are ideal for donors who want to support one or more specific organizations. Nonprofit groups can also establish this kind of fund as part of their organization's own fundraising strategy.

**FIELD OF INTEREST FUNDS** are designed to address a topic or issue about which you feel strongly or that is of particular importance to the community. Fields of interest may include, but are not limited to, arts, the environment, women's services, education, youth services, religion or health care.

**NON PERMANENT AND PASS THROUGH FUNDS** are funds established at YCF by groups that want to undertake broad-based community fundraising to support their work. These funds require extra administrative support beyond that typically given to the other kinds of funds at the Foundation, so we would need to have a discussion with you about your plans.

**SCHOLARSHIP FUNDS** are established to assist students with educational expenses. Donors may select eligibility requirements and can designate funds for any level of education. The fund can support students, for example, who are studying a particular subject, attending a specific school, or have specific financial needs.

**UNRESTRICTED FUNDS** are an option for donors who want to support the mission and focus areas of Your Community Foundation as identified by YCF's Board of Directors in its discretionary grant-making. These funds allow YCF maximum flexibility to respond creatively and effectively to our communities' most compelling needs and opportunities.
Select a Fund Type

More information on individual fund types is available on the website or by obtaining a copy of the YCF Donor Kit through the YCF office.

- Donor Advised
- Donor Designated
- Field of Interest
- Non-Permanent and Pass-Through
- Scholarship
- Unrestricted

How is this fund to be invested?

- Through pooled investment funds at YCF trustee bank
  
  This option is selected for endowment funds – principal and growth to be reinvested and distributions paid from the interest and growth of the fund.
  
  Designated Principal (minimum $10,000 up to all funds): $__________________

- Through money market where all funds are expendable
- Specially invested (requires board approval based on minimum investment. Contact the YCF office for more details.)

Advisior/Committee Fund Information: If convening a committee for scholarship or grant selection please specify below or submit a complete list of members with contact and affiliation information.

Fund Advisor(s)/ Committee members:
1. ____________________________________________
   Name
   ____________________________________________
   Home Address
   ____________________________________________
   City                      State          Zip
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   Home Phone                 Cell          Fax
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   2. ____________________________________________
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Name

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Home Address

City

State

Zip

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Home Phone

Cell

Fax

For multiple fund advisors, who is the Advisory Committee Chair?

________________________________

Who will convene the Advisory Committee and at what interval?

________________________________

Does the fund creator intend to spend more than the recommended spending rate?

Yes ___ No ___

Would the fund creator provide the additional spending through donations?

Yes ___ No ___

Areas of Philanthropic Interest:

___ Aging  ___ Economic Development  ___ Human Services
___ Arts and Culture  ___ Education  ___ Homelessness
___ Animal Welfare  ___ Environment  ___ Recreation
___ Children and Youth  ___ Health  ___ Substance Abuse
___ Domestic Violence  ___ Historic Preservation  ___ Women’s Issues

Other:

________________________________

Appendix 4
Designated Beneficiaries

Beneficiary Organization Name: __________________________________________________
Mailing Address: __________________________________________________
Phone: _____________________________________
E-Mail: _____________________________________

Beneficiary Organization Name: __________________________________________________
Mailing Address: __________________________________________________
Phone: _____________________________________
E-Mail: _____________________________________

Beneficiary Organization Name: __________________________________________________
Mailing Address: __________________________________________________
Phone: _____________________________________
E-Mail: _____________________________________

What is the distribution plan?

☐ Semi-Annual
☐ Annual
☐ Reinvest Until Further Notice
☐ Other
YOUR COMMUNITY FOUNDATION
Donor and Honored Persons Information Form

Name of Fund: ___________________________________________________________

Donor(s) to Fund: ________________________________________________________

_______________________________________________________________________

Address: __________________________ ___________________________________________________________________________

_______________________________________________________________________

Phone Number: __________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

Fund established in honor of: _____________________________________________

_______________________________________________________________________

_______________________________________________________________________

Reason for creating the fund: _____________________________________________

_______________________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

Please provide some information about yourself, your family, and/or your organization. Consider answering the following questions – who will be initially supporting this fund, what is your relationship to the Honoree, what is your background, if this is for an organization – what was your role with it? Please attach a separate page if needed.
Donor Information Form - Page 2

Please provide a brief history on the person(s) and/or organization that your fund honors or memorializes: background, activities, and interests. Consider the following questions in responding – What are the pertinent dates in the Honoree’s life? Is the Honoree married, if so, to whom? Does the Honoree have children, if so, how many and what are their names? What schools does/did the Honoree attend? What is/was his/her vocation – what organizations employed him/her for what time periods? What are/were some of his/her activities (Church? Which? Clubs? Which? Leadership roles?) Identify any particular items that are/were very important in shaping the life of the Honoree. Please attach a separate page if needed.

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

Any additional information you wish to share with us?

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

Publicity regarding establishment of new funds or subsequent grants from funds is very valuable, particularly in new communities, in terms of showing support for the Foundation from within the community and encouraging others to consider establishing permanent legacies for the betterment of their communities. We respect, however, that not everyone wants this acknowledgment and some donors prefer anonymity. Please note that we NEVER announce contribution amounts, except as required in the Annual Report. We do list amounts of subsequent grants given in news articles. Your guidance in this regard is much appreciated.

I/we prefer:

_____ We wish to remain anonymous and desire no publicity on the establishment of our fund or on subsequent grants from our fund

_____ It is OK to publicize our new fund, but we wish to remain anonymous on subsequent grants

_____ We’re comfortable with general publicity regarding the fund and/or its grants

ALSO: A photograph of you, your organization, or the person(s) whom your fund honors would be greatly appreciated by the Foundation. Photographs will be kept on file for future events and annual reports. If you wish to have your photographs returned, we will be pleased to make copies. Please let us know.
Establishing a New Scholarship -- Selection Criteria and Process

When establishing a scholarship fund, the following questions may be helpful in designing a program and process that best accomplishes a donor’s goals.

1. What will the name of the scholarship be? Is there an individual or organization to be honored or memorialized through the scholarship?

2. What is the amount of each scholarship to be awarded (e.g. fixed or variable, minimum or maximum)? How many will be awarded each year?

3. What will be the duration of the scholarship (one-time only or renewable)? If renewable, for how long and under what type of renewal criteria?

4. What are the eligibility and selection criteria for the scholarship?

   Eligibility criteria (the general criteria to determine who may apply) may include:
   - Graduating senior or post-high school student
   - Enrollment status (full-time or part-time student)
   - From a specific high school or planning to attend a specific post-secondary institution
   - Resident of a specific geographic area
   - Specific field of study
   - Specific type of post-secondary education (two-year college, four-year college, vocational/technical school, in-state, etc.)
   - School involvement (certain activity, club, sport, etc.)

   Selection criteria (specific standards used to identify the most qualified candidate) may include:
   - Financial need
   - Academic achievement (e.g. specific GPA, class rank, etc.)
   - Extracurricular activities (school and community)
   - Miscellaneous personal/behavioral criteria (e.g. leadership, determination, attitude)

5. What will be the selection process?

   Trust Scholarship Selection Committee
   High School Scholarship Selection Committee
   Outside Advisory Committee (For scholarships established with $100,000 or more)
   - how many members (at least three required; five to seven recommended)
   - specific positions or individuals to serve on committee
   - length of service terms

6. Application Requirements

   Application Forms
   Teacher Recommendations
   Written Essay*
   Interviews*

   *Due to limited resources for scholarship administration, a requirement for essays and/or interviews will only be considered for scholarship funds with assets exceeding $250,000.
Pass Through Donation
Distribution Recommendation Form

I recommend to YOUR COMMUNITY FOUNDATION that the organization(s) listed below receive grants from my pass through donation:

<table>
<thead>
<tr>
<th>AGENCY:</th>
<th>AMOUNT:</th>
<th>WHAT DO YOU WANT THIS AGENCY TO DO WITH YOUR GIFT?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AGENCY:</th>
<th>AMOUNT:</th>
<th>WHAT DO YOU WANT THIS AGENCY TO DO WITH YOUR GIFT?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

These recommendations do not represent the fulfillment of any pledge nor other financial obligation, nor does the undersigned expect any goods or services as a result of this recommendation. I/we understand that final approval rests in the hands of the governing board of YOUR COMMUNITY FOUNDATION whose charge is to see that all distributions are consistent with the purpose of the FOUNDATION.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
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<td></td>
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</tbody>
</table>

Upon approval of the grant, your name will be included in the notification letter to the organization(s). A copy of this form will be returned to you along with the grant acknowledgment letter(s).
Sample Gift Acknowledgment Letter

May 11, 2012

Name
Address
Parkersburg, WV 26104

Dear Name:

On behalf of the Board of Directors of the Your Community Foundation and (Foundation Fund), thank you for your generous support of this organization. Please keep this written acknowledgement of your donation for your tax records.

We look forward to working with you to grow the (Foundation Fund) for the benefit of our local communities. If you have any questions about this acknowledgement please feel free to contact the YCF office at 304-296-3433.

Sincerely,

Jane Doe
President

Donation Amount: $------

Date of Donation: Date
## Accepting Real Property Gifts
### Donor Inquiry Form

### I. Owner Information
- **Owner(s):** __________________________
- **Phone:** ____________________________

### Address
______________________________

### Social Security/Tax ID Number of Owner:
______________________________

### Property Information
- **Property location:** __________________________
- **Land area (acres or sq. ft.):** __________________________
- **Building area (sq. ft. each floor):** __________________________
- **Zoning:** __________________________

### Financial Information
- **Replacement cost of building:** __________________________
- **Current property insurance coverage:** __________________________
- **Date of acquisition/form of acquisition:** __________________________
- **Current cost basis (includes improvements):** __________________________
- **Principal balance of mortgage:** ________________
- **Current fair market value:** ________________
- **Assessed value for real estate taxes:** __________________________
- **Real estate taxes:** __________________________
- **Land value:** ________________
- **Building value:** ________________

### Appraiser Information
- **Most recent appraisal (date):** ________________
- **Appraiser:** __________________________

### Occupancy Status
- **Unimproved (no buildings):** ________________
- **Unoccupied (building, but no occupant):** ________________
- **Occupied (building with occupants):** ________________

Please indicate by checking "yes" your awareness of any condition or problem which may affect the title or marketability of the property. Use Section VII to provide additional information.

### II. Title/Zoning

<table>
<thead>
<tr>
<th><strong>A. Title</strong></th>
<th><strong>B. Zoning variances, violations or special permits</strong></th>
<th><strong>C. Zoning violations</strong></th>
<th><strong>D. Restrictions or easements</strong></th>
<th><strong>E. Survey available</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yes</strong></td>
<td><strong>No</strong></td>
<td><strong>Yes</strong></td>
<td><strong>No</strong></td>
<td><strong>Yes</strong></td>
</tr>
</tbody>
</table>

### Appendix 4
### III. Condition of Building

<table>
<thead>
<tr>
<th>Condition</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Trusts/slab</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Basement water/dampness/sump pump</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Roof leaks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. General structural</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. UFFI (formaldehyde insulation)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. Asbestos</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G. Lead paints</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H. Termites/ants/pests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Swimming pool</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J. Radon</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K. Building systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Plumbing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Electrical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Heating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Air conditioning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Hot water</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Water supply</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Sewage; type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Other fixtures</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### IV. Rental/Condominium/Cooperative

<table>
<thead>
<tr>
<th>Condition</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Building systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Leases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Rental arrears</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Last month's rent/security deposit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Common area fees in arrears</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Building or sanitary code violations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Operating/capital budget</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### V. Environmental

<table>
<thead>
<tr>
<th>Condition</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. History of property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or any other non-residential purposes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Condition of property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Stressed or denuded vegetation or unusual barren areas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Discoloration, oil sheens, or foul/unusual odors in water</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Storage drums</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Above or underground storage tanks; vent or filler pipes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Evidence of oil or other chemicals in soil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Evidence of PCBs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Evidence of toxic air emissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Adjacent properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Properties adjacent or close to subject have conditions requiring “yes” answer to any questions in (A) and (B) above</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Flood plain/wetlands/drainage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Endangered plants or wildlife</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Are you aware of any other information concerning any part of the land or buildings, which might affect the decision of a buyer or affect value of property or affect use by buyer?

VI. Property Expense Budget
To hold this property as a Trust asset, the following income and expenses are anticipated:

A. Income
   1. Rent
   2. Other

B. Expenses
   1. Real estate taxes:
      First payment due __________ (date) __________
      Second payment due __________ (date) __________
   2. Utilities:
      Gas
      Oil
      Electric
      Water/sewer
      Other
   3. Services:
      Caretaker/property manager
      Landscaping
      Heating/cooling service contract
      Snow removal
      Pool services
      Common area charge (condominium)
      Security
      Other
   4. Maintenance/Repairs
   5. Insurance

Total Expenses

Net Income (Loss)

VII. Additional Information on Sections II through VII

VIII. Acknowledgments
Owner(s) hereby acknowledge that the information set forth above is true and accurate to the best of my (our) knowledge

_______________________________________ Date __________
Owner

_______________________________________ Date __________
Owner

Please return to:
YOUR COMMUNITY FOUNDATION Phone: 304-296-3433
P.O. Box 409
Morgantown, WV 26507

Appendix 4
Component Fund Fundraising Event
Language to be Included in Solicitation of Contribution

Fundraising groups conducting fundraising events for component funds of the Foundation must provide the following information to all potential donors:

1. The name of the charitable organization and the state in which it does business:
   
   Name
   Address
   City, WV, your zip code

2. The name of the fund for which funds are being raised:
   
   The ______ Fund is a component fund at Your Community Foundation.

3. A description of the purpose for solicitation:
   
   The ______ Fund at Your Community Foundation is raising dollars today for the purpose of ________.

4. Inquiries can be addressed to: (add appropriate information).

5. The amount of the contribution deductible as a charitable contribution by federal law. It is vital to accurately determine the value of any benefit received by the Donor for his or her contribution as this amount is not deductible for federal income tax purposes.

6. Information regarding the fact that written financial statements can be obtained from Your Community Foundation (add address and contact information).