

GIFT ACCEPTANCE AND ACKNOWLEDGMENT POLICY

Purpose

The purpose of this Gift Acceptance and Acknowledgment Policy ("Gift Policy") is to identify the types of gifts and processes by which gifts may be accepted in order to ensure full and adequate disclosure to all donors regarding the irrevocability of gifts; to minimize risk to Cobb Community Foundation ("CCF"), its component Funds, and the community served; and to clarify the responsibilities of both CCF staff and the Board of Directors in relation to gift acceptance and acknowledgment.

This policy governs all gifts made to CCF including those made for restricted purposes or to component Funds. CCF reserves the right to decline acceptance of any gift.

Types of Gifts and Assets Accepted

CCF can accept the following gifts subject to the conditions outlined elsewhere in this policy.

- Cash
- Publicly traded securities
- Closely held stock or other business interests
- Mutual funds
- Real estate including undeveloped land
- Insurance policies
- Planned gifts
- Variations or combinations of any of these financial resources

Other assets may be accepted subject to conditions outlined by and approval of CCF's executive committee.

Gifts Subject to Executive Committee Review

The following gifts may only be accepted with approval of the Executive Committee. The Executive Committee has the latitude to include both internal and external resources in its service or form a specific task force with the particular objective, powers, resources and duties as the Executive Committee may provide.

- Gifts or bequests of real estate, non-marketable securities, other business ownership interests, or other form of illiquid assets;
- Gifts or bequests which include binding instructions, restrictions or conditions;
- Gifts or bequests which include suggestions regarding CCF's use of Funds that would raise legal, ethical, policy or practical concerns for CCF;
- Gifts or bequests encumbered with debt or as pledged security on other assets;
- Gifts or bequests which, in the judgment of the CEO, pose other risks or concerns that should be reviewed by the Executive Committee

Knowledge of Donor

CCF will not accept anonymous gifts. While CCF will maintain the anonymity of any and all donors unless disclosure is otherwise approved by the donor.

Responsibilities of Staff in Relation to Gift Acceptance and Acknowledgment

CCF staff will disclose to all prospective donors certain important benefits and liabilities that reasonably could be expected to influence the donor's decision to make a gift to CCF. In particular, donors will be made aware of the following.

- The irrevocability of a gift
- Authority of CCF to sell the contributed property upon transfer of legal ownership
- CCF's variance power to redirect the purpose of a gift if the original gift purpose becomes unnecessary, incapable of fulfillment, or inconsistent with the needs of the community
- Limitations on donor authority
- Investment options available

Foundation staff will not provide specific tax, legal or financial advice to a donor.

Subject to the provisions herein, CCF's CEO and Finance Director are authorized to accept all gifts and bequests on behalf of CCF.

Gift Acknowledgment

All gifts of \$250 or more will be acknowledged in writing by CCF staff in accordance with current Internal Revenue Service requirements. In the discretion of the Executive Director, all gifts regardless of size may be acknowledged. In addition, CCF provides quarterly reports to donors on all activities related to their fund balance.

Acknowledgments of gifts of marketable securities shall reflect the date of the gift and the number of units gifted.

Prior to CCF taking legal ownership of any illiquid assets subject to Executive Committee review, the donor, a member of the Executive Committee and the CCF Executive Director must complete Appendix A of this policy.

Appendix A

Acceptance Approval and Donor Disclosure Acknowledgment For Illiquid Assets

Instructions: This form should be completed in its entirety and signed by the parties so designated prior to the transfer of any illiquid asset to the Cobb Community Foundation ("CCF"). Illiquid assets specifically include, but are not limited to, real estate, non-marketable securities, and other business ownership interests.

Property to be Transferred (Legal name including corporate form, if applicable)

Property Description

Estimated Value of Property

Percentage Interest/Number of Shares (if applicable)

Name of Donor

Receiving Fund Name

Donor Acknowledgment

As the donor of the above referenced property (or legal representative thereof), I (we) acknowledge the following conditions related to CCF's acceptance of the above described gift:

- CCF has no requirement to retain the contributed property upon transfer of legal ownership.
- I (we) have not been granted or granted to anyone else (stated or implied) the right of first refusal to purchase the contributed property, nor is there any type of restriction on the sale or transfer of the asset.
- CCF is not assuming leases, contractual obligations, pledges or other personal liabilities of mine, nor is there any type of mortgage or other encumbrance on the asset.
- The transfer of the above described property is not subject to an irrevocable relationship for the maintenance or management of said asset.
- CCF cannot join or participate in the issuance of warranties and representations and cannot offer indemnification with respect to the Asset upon its liquidation or at any other time.
- It is my responsibility to understand the implications of any potential tax ramifications to me of the sale of the Asset by CCF, and CCF shall not be responsible for any such tax liabilities.

Donor's Initials:

Real Estate. I (we) acknowledge that gifts of real estate will be subject to documentation of the property satisfactorily complying with Phase 1 environmental scan or additional testing as already determined by CCF. I (we) further acknowledge that upon the transfer of real estate, CCF becomes responsible for all carrying costs associated with such property, specifically including but not limited to insurance, maintenance and property taxes. I (we) agree to contribute additional liquid assets of \$ (select either: one time or annually) upon transfer of title to assist with such carrying costs.

Donor Initials:

Excess business holdings. The Pension Protection Act of 2006 amended section 4943 of the Internal Revenue Code to limit ownership of closely-held business interests in a donor advised fund. A fund's holdings, together with the holdings of disqualified persons (donor, advisor, members of their families and businesses they control) may not exceed any of the following:

- 20% of the voting stock of an incorporated business;
- 20% of the profits interest of a partnership, joint venture, or the beneficial interest in a trust or similar entity;

- Any interest in a sole proprietorship.

These limitations do not apply if the donor advised fund holds an interest that does not exceed two percent of the voting stock and two percent of the value of the business. Donor advised funds receiving gifts of interests in a business enterprise have five years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. To prevent a violation of these rules, the Foundation generally divests itself of such holdings within five years from the date the Foundation acquired the asset or transfers the asset to a new or existing fund that is not an advised fund.

Donor Initials:

Appraisal. Furthermore, I (we) understand the written gift acknowledgment received from CCF will provide the description of the contributed property without stated value. Further, I (we) acknowledge that IRS regulations require that I (we) obtain a written valuation from a qualified appraiser made no earlier than 60 days prior to the transfer of any gift of property with a fair market value exceeding \$5,000 (\$10,000 in the case of non-publicly traded stock). I (we) agree to provide to CCF a copy of such appraisal.

Donor Initials:

Reporting. Additionally, I (we) acknowledge that the carrying value of this gift of property on the books of CCF will have a nominal stated value of \$1.00 until a current appraised value of the donated property is provided to CCF. I (we) further acknowledge that any change in value, realized or unrealized, in the fair market value of the above gift or in the disposition thereof will be charged to the carrying value of the component fund to which the gift is credited. Finally, I (we) acknowledge that IRS regulations require that CCF file Form 8282 with the IRS in the event that CCF sells, exchanges or otherwise disposes of the property donated within 2 years of the date of the gift, and that such transaction could result in the value of the charitable contribution of such property being adjusted by the IRS.

Donor Initials:

Distributions. Distributions from a component fund that consists entirely of closely-held or S corporation stock are limited to the income generated by the securities less fees assessed by the Foundation and any unrelated business tax imposed thereon.

Donor Initials:

Liquidation. The Foundation will generally seek to redeem or sell closely-held or S corporation stock contributed as soon as possible and generally will not accept gifts that cannot be liquidated within three years.

Donor Initials:

Irrevocability of Gift. As the donor(s) of the above stated illiquid gift(s), I (we) understand and agree that the sole purpose of these gifts is to provide a charitable benefit to CCF. The gift is irrevocable and cannot inure any benefit to the donor(s). CCF has advised me to seek advice from my tax advisor prior to making such gift.

Donor Initials:

Procedures for Accepting Gifts of Closely-Held or S Corporation Stock. Unless otherwise approved by the Executive Committee, the following procedures apply to all proposed gifts of S corporation stock.



The donor shall provide the Foundation with

- *Corporate governing documents to determine the rights and obligations associated with the stock and whether or not the Foundation should undertake such obligations in light of such rights;*
- *All documents which outline, discuss or relate to the duties and liabilities which shareholders have, including Shareholder Agreements; and*
- *The corporation's most recent tax returns and the donor's most recent K-1 to determine the nature of the income associated with the stock (e.g., unrelated business income, active versus passive business).*

The Foundation will promptly review all documents and notify donor of the Foundation's decision to accept/decline to accept.

The donor shall provide proposed transfer documents which must be approved by the Foundation's counsel.

Gift Agreement. *As a condition for the Foundation's acceptance of the gift, a written agreement ("Gift Agreement") between the donor and the Foundation should be in place that provides for the payment of administrative expenses and unrelated business income taxes generated by the stock to the extent there is insufficient cash in the fund to which the stock has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Foundation against all liabilities incurred by the donor on account of the stock up to the date of the gift.*

FOR THE DONOR:

<input type="text"/>	<input type="text"/>
Signature	Date
<input type="text"/>	<input type="text"/>
Signature	Date

FOR CCF:

<input type="text"/>	<input type="text"/>
Executive Director	Date
<input type="text"/>	<input type="text"/>
Member, Executive Committee	Date

Appendix B Other Terms and Conditions

Variance Power

Consistent with the requirements of Treasury Regulations Section 170A-9(f)(11)(v)(B)(1), CCF's Board has the authority or "variance power" to modify or remove any restriction or condition imposed on any component Fund or any other of the Assets of the Foundation if, in the Board's sole judgment, without the necessity of approval by any other party, such restriction becomes, in effect, unnecessary, incapable of fulfillment, inconsistent with the charitable needs of the community or area served, impossible, illegal, impractical or wasteful.

Accounting for Contributions to and Grants from Component Funds

CCF component Funds are created by either a Donor or Agency (a nonprofit 501(c)(3)). When permitted by the related Fund agreement, other individuals and organizations ("third-parties") may also make contributions to a Donor or Agency component Fund of CCF.

The accounting for contributions varies based on type of Fund and type of Donor and is outlined below.

Donor Funds

Donor Funds are created by individuals and organizations and include Donor Advised Funds ("Giving Funds"), Scholarship Funds, Employee Assistance Funds, Designated Funds, Field of Interest Funds and Unrestricted Funds.

- Contributions from any party are recorded as an expense to the Donor and as revenue to CCF.
- Grants are recorded an expense to CCF and as revenue to the recipient organization.

Agency Funds

Agency Funds are created by nonprofit 501(c)(3) organizations ("Agencies") solely for their own benefit. The accounting for Agency Funds is outlined in FASB 136.

- Contributions to Agency Funds from the founding nonprofit 501(c)(3) are a "reciprocal transaction" and are recorded
 - by the Agency as reduction of investment Assets with a corresponding offsetting increase in Assets and
 - by CCF as an increase in Assets with a corresponding offsetting increase in liabilities to the Agency.
- Contributions to Agency Funds from third-parties are generally recorded
 - by the Agency as revenue and
 - by CCF as an increase in Assets with a corresponding offsetting increase in liabilities to the Agency.
 - Note: if the Donor explicitly grants variance power to CCF the accounting is the same as for a Donor Fund.
- Grants from the Agency Fund to the Agency are recorded
 - by CCF as a decrease in Assets with a corresponding offsetting decrease in liabilities to the Agency and
 - by the Agency as an increase in investment Assets with a corresponding offsetting decrease in Assets.

AGREEMENT AND INDEMNITY FOR CHARITABLE CONTRIBUTIONS OF ILLIQUID ASSETS

In consideration of the receipt by Cobb Community Foundation ("the Foundation") of a gift by

(the "Donor")

of (the "Gift"),

and the acknowledgment by the Foundation of the charitable contribution of illiquid assets of the Gift, the parties hereby agree as follows:

1. This gift constitutes an irrevocable transfer by Donor to Foundation and is not subject to any material restrictions. Any future transfer or disposition of the gifted property is subject to Foundation's sole discretion;
2. Donor is solely responsible for any appraisal of the gift property and any other requirements necessary to determine and document Donor's charitable tax deduction. Foundation has not provided legal or tax advice regarding Donor's charitable tax deduction associated with the gift. Foundation will provide an appropriate gift acknowledgment letter and execute IRS Form 8283 as requested by Donor;
3. Donor shall indemnify and hold harmless the Foundation, its predecessors, successors, affiliates, directors and employees, against all claims (including taxes, penalties and fees of every kind and character), demands, suits, actions, expenses, accountants' fees, attorneys' fees and all losses and damages of every kind and character incurred by the Foundation arising out of its ownership of the Gift, except to the extent that the Foundation has specifically agreed in writing to the assumption of any obligations related to the Gift;
4. Donor understands that the obligation of Donor to indemnify the Foundation referenced in paragraph 3 includes but is not limited to Unrelated Business Income Tax ("UBIT") incurred by the Foundation and attributable to the Gift, in excess of distributions related to the Gift;

Donor shall pay to the Foundation any expenses incurred by the Foundation in connection with any obligations, claims, or losses as referenced above in paragraph 3 in advance of the final disposition of the matter to which the expenses are directly or indirectly related, upon receipt of an undertaking by or on behalf of the Foundation to repay such amount if it is ultimately determined that the Foundation is not entitled to be indemnified by the Donor in connection with said matter;

5. This gift and this Agreement are subject to Foundation's Executive Committee Review as outlined in Foundation's Gift Acceptance and Acknowledgment Policy and shall not be effective until such approval is received;
6. This Agreement shall be governed and construed in accordance with the laws of the State of Georgia; the provisions of this Agreement are severable, and if any part of it is found to be unenforceable, the other provisions shall remain fully valid and enforceable;
7. Donor has not assigned, transferred or in any way encumbered Donor's right, title and interest in and to the Gift in accordance with the terms of this Agreement;
8. The parties acknowledge that (i) this Agreement is a legal document; (ii) Donor has been advised to have this Agreement reviewed by Donor's attorney(s); and (iii) Donor has had the Agreement reviewed by such attorney(s) or has voluntarily chosen to execute it without a review by such attorney(s);



9. This Agreement constitutes the entire agreement between the Foundation and the Donor relating to this subject matter and supersedes all prior or contemporaneous oral or written agreements concerning this subject matter;
10. This Agreement may only be changed by mutual written agreement of the Foundation and the Donor;
11. The provisions of this Agreement shall bind and inure to the benefit of Donor and Donor's heirs, successors and assigns and the successors and assigns of the Foundation;
12. This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one Agreement and this Agreement, to the extent signed and delivered by means of a facsimile machine or e-mail of a PDF file containing a copy of an executed Agreement, shall be treated in all manner and respects and for all purposes as an original Agreement and shall be considered to have the same binding legal effect as if it were the original signed version hereof delivered in person;
13. The Foundation acknowledges and agrees that any payments due pursuant to the terms of Paragraphs 3 and 4 above shall come first from the Donor Advised Fund of the Donor indicated below and shall come from the Donor only after the Donor Advised Fund has been fully exhausted;
14. The Gift made hereunder shall be allocated to the Fund at Cobb Community Foundation.

Dated

AGREED TO AND ACKNOWLEDGED BY THE DONOR AND BY THE FOUNDATION:

DONOR

Signature

Printed Name

Title

Date

FOR COBB COMMUNITY FOUNDATION, INC. (President/CEO, Finance Director or Officer of the Board):

Signature

Printed Name

Title

Date