



Batesville Community Education Foundation

BCEF
BEYOND THE BASICS

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Batesville Community Education Foundation Charitable Gift Solicitation and Acceptance Policy

The Batesville Community Education Foundation (BCEF) solicits, receives, and accepts charitable gifts in support of its mission. This responsibility extends to acknowledging donors and gifts.

To optimize funding from individuals and other entities, BCEF must be capable of responding quickly, and in the affirmative where possible, to gifts offered by prospective donors. These policies and guidelines govern the acceptance of gifts by BCEF and provide guidance to prospective donors and their advisors when making gifts to BCEF. The provisions of these policies shall apply to all gifts received by BCEF for any of its programs or services.

The Batesville Community Education Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts when advisable.

BCEF will accept unrestricted gifts, and gifts designated for specific programs and purposes, provided that such gifts are not inconsistent with the stated mission, purposes, and priorities of BCEF. BCEF will not accept gifts that are too restrictive in purpose, too difficult to administer, or that are for purposes outside the mission of BCEF. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors of the Batesville Community Education Foundation.

Definitions

A charitable gift is defined as a voluntary transfer of assets from a person or organization to BCEF where no goods or services are expected, implied or forthcoming for the donor. Gifts generally take the form of cash, checks, securities, real property or personal property.

A quid pro quo contribution is one in which the donor's payment is made partly as a contribution and partly in consideration of goods or services received. As an example, a contribution to attend a fundraising event may include a portion that will cover the value of the dinner provided.

Policies

All gifts received by the BCEF will be individually evaluated for suitability towards furthering the mission of the Foundation. BCEF reserves the right to accept or decline gifts.

Questions as to the acceptability of a gift will be referred to the BCEF's Board of Directors for a decision. The Board may defer to staff for further research or information.

BCEF will acknowledge, in a timely manner, all gifts received. Acknowledgement of a quid pro quo contribution will include information on the cost of any benefit received by the donor.

For gifts to establish an endowed fund, restricted fund, or in other instances when it is deemed prudent, BCEF will execute a Designated Fund Agreement with a donor. Administrative fees will apply as stated said agreement and its referenced fee schedule.

BCEF will provide stewardship of all gifts, ensuring each donation is utilized in accordance with the donor's intent.

BCEF will respect the wishes of those donors who request anonymity. Gifts from donors wishing to remain anonymous will be handled in the same manner as other gifts received with the understanding that no public announcement regarding the donor will be made.

All final decisions on the acceptance or refusal of any gifts shall be made by BCEF.

In general, BCEF will pay no fee to any person as consideration for directing a gift to the foundation. BCEF may pay reasonable fees for professional services in connection with the completion of a gift to the foundation. Such fees will be paid only with prior written approval of BCEF. Fees shall be limited to appraisal fees by persons who are competent and qualified, legal fees for the preparation of documents, accounting fees incident to the transaction, and fees of "fee for service" financial planners. In the case of financial planners, such persons must have in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients.

BCEF will record a gift received by the foundation at its valuation for gift purposes on the date of the gift. BCEF shall issue a timely receipt for all gifts to the foundation.

The BCEF Board of Directors is responsible for pertinent IRS filings. Acknowledgement of all gifts made to BCEF and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of the Batesville Community Education Foundation.

Types of Gifts

Cash

Unrestricted gifts in the form of cash and checks shall be accepted regardless of amount unless, as in the case

of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally incompetent to legally transfer the funds as a gift to BCEF. All checks must be payable to BCEF and shall in no event be made payable to an employee, agent, or volunteer for the benefit of BCEF.

Gifts in the form of cash and checks for a proposed restricted use may be subject to review and approval by the BCEF Board of Directors before acceptance, per the BCEF Designated Fund Policy.

Commemorative Gifts

The Foundation will accept memorial and tribute gifts to honor individuals or entities. The Foundation encourages donors to make unrestricted contributions for use where the greatest need exists. If deemed appropriate, the Board may choose to establish a board-created, named fund to honor a donor of a large unrestricted gift; however, the donation itself remains unrestricted.

Restricted commemorative gifts may be accepted if approved by the BCEF Board of Directors and will follow the Designated Fund Policy and fee schedule.

Stock

The Foundation will accept gifts of appreciated publicly held securities. In some cases, marketable securities may be restricted by applicable securities law; in such instance the final determination on the acceptance of the restricted securities shall be made by the BCEF Board of Directors. BCEF shall be entitled to retain the services of a registered broker. If accepted, a receipt will be given to the donor based upon value per share at the time of acceptance. It may be anticipated that securities will be immediately sold by the Batesville Community Education Foundation. Information regarding the stock and any pertinent personal information must be included.

In –Kind

The Foundation will accept In-kind gifts if the gift is useful to the Foundation or easily sold. The Foundation reserves the right to refuse a gift that is not useful or easily sold. The Foundation will keep a record of in-kind contributions valued at \$500 or more. Items of lesser value will be acknowledged, but no permanent record of the gift or the donor will be kept.

Donors of in-kind gifts should be aware that establishment of value for tax purposes is the responsibility of the donor, not of the Foundation.

Bequest

A donor may include a declaration within their will naming the Foundation as a beneficiary of all or part of their estate. If restrictions are included in the bequest, the BCEF will establish a Designated Fund for this purpose and administrative fees will apply.

Charitable Gift Annuity

A charitable gift annuity is an agreement in which an individual transfers assets to a charity in exchange for a lifetime income stream and a tax benefit. As with any other life annuity, when the annuitant dies,

the annuity payments are stopped. Unlike a traditional annuity, instead of an annuity writer (usually an insurer) keeping the balance of the premium, the charity retains the remaining funds as a gift. The primary goal of a charitable gift annuity is to benefit a charity.

No gift annuity shall be accepted which names an income beneficiary under 60 years of age without the prior approval of BCEF. In keeping with state laws, there shall not be more than the allowed income beneficiaries for each gift annuity. The minimum contribution for a gift annuity shall be \$10,000.

Annuity payments may be made on a quarterly, semi-annual or annual schedule. BCEF will not accept real estate, tangible personal property or any other illiquid asset in exchange for current charitable gift annuities. Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the BCEF general fund.

Charitable Remainder Trust

This gift vehicle allows a donor to transfer cash or other property to a trust during a donor's life or at the donor's death. The trust instrument provides that periodic payments, on no less than an annual basis, are paid by the trustee of the trust to a non-charitable beneficiary (often the donor or donor's spouse) for the beneficiary's life or a term of years not to exceed 20 years. The remainder interest of the trust will be distributed to the Foundation at the end of the trust term. The Foundation cannot be named as a Trustee of the account. The Foundation will not pay for costs associated with establishing a trust.

Charitable Lead Trust

A charitable lead trust is a type of irrevocable trust that is designed to reduce a beneficiary's potential tax liability upon inheritance. A charitable lead trust works by donating payments out of the trust to charity for a set amount of time. After that period has expired, the balance of the trust is then paid out to the beneficiary. While this reduces the taxes owed by the beneficiary once they inherit the remaining balance, it also presents them with other potential tax benefits such as an income tax deduction for charitable donations and savings on estate and gift taxes. Additionally, it sets up a continuous way for the beneficiary and benefactor to make a charitable contribution without having to manually issue a monthly payment.

Life Insurance

Gifts can be made by designating BCEF as beneficiary of an existing or new life insurance policy.

Retirement Plan/IRA Benefits

The Foundation may be named as a primary, secondary, partial or contingent beneficiary of an IRA and/or a retirement plan. Additionally, an IRA and/or retirement plan may fund a charitable remainder trust. The goals in this latter arrangement are to eliminate income tax liabilities. Also, a donor's required minimum distribution from an IRA may be donated to BCEF directly.

Endowment

The Foundation will accept gifts, with Board approval, to establish an endowed fund. In most instances, the assets from such gifts will be invested and only the income from the investment or a portion of the assets'

annual capital appreciation can be expended. The Foundation has the right and responsibility to request a minimum gift size for the establishment of a permanently restricted gift.

Approved and effective as of 2/14/19