GIFT ACKNOWLEDGMENT POLICY

The Community Foundation of Northeast Alabama (hereinafter, "the Foundation") adopts and adheres to the following guidelines in fulfilling its obligation to accurately identify, document and acknowledge donor gifts.

I. Gifts Defined

A. "Gift" as generally defined is something of value that is transferred from one person to another without compensation.

B. A charitable contribution that meets the standards for deductibility must be a true gift for which the donor anticipates no benefit in return. Thus, the donating of money or other property is not always allowable for tax purposes except that which is covered by existing laws.

C. In order for such gifts to qualify, the contribution must be made with detached or disinterested generosity or out of affection, respect or admiration for the organization. A gift must not be a quid pro quo, that is, it cannot be motivated by any incentive of anticipated gain such as the donor expecting a bargained-for benefit. (IRS Section 170 (e) (3) (c)).

D. The needs and interests of the donor and the Foundation must be considered with unrealistic terms being avoided by both parties. A prospective donor will be encouraged to seek additional professional advice to ensure that both the donor and the Foundation can fulfill the expectations of the gift.

E. Trustees or employees of the Foundation shall not purchase donated gifts or property unless approved by the Board of Trustees and the item is purchased at fair market value.

II. Gift Acknowledgement

All gifts, regardless of value, form, or designated use, will be acknowledged in writing by the Foundation. The acknowledgment represents to the donor the Foundation’s official acceptance of the gift, its terms, conditions, as well as official certification for tax purposes.

1. Each gift must be acknowledged as promptly as reasonably possible depending on the type of gift. The Foundation will send an official written acknowledgment of all gifts. The donor shall receive a printed note card stating the dollar value of the gift, date of receipt and confirmation that no goods or services were exchanged for the donation. The IRS requires that all donors who contribute gifts over two hundred and
fifty dollars ($250.00) must receive a letter of receipt; however, the Foundation will provide this standard note card for all cash gifts regardless of the amount.

2. In addition, all gifts are acknowledged with a handwritten thank you card (except recurring monthly gifts, payroll deduction gifts received via a third party such as Truist, donors who have requested only an annual acknowledgement of all gifts, when goods are purchased for all or part of the gift, or stock gifts).

3. Non-monetary in-kind gifts such as equipment, furniture, office space or other depreciated assets will be acknowledged by describing the number and type of items involved. This documentation provides the donor or their tax professional the necessary information for valuation.

4. Acknowledgment of gifts shall include appropriate public recognition if granted in writing by the donor.

5. Donors who make recurring monthly gifts receive an annual written acknowledgement for all their contributions during the year.

III. Remembrances and Cash Gifts

A. Acknowledgment of all cash gifts shall conform to IRS guidelines in Publication 526.

B. The Foundation accepts the following memorial, tributes and honorariums as remembrances:

   1. In lieu of flowers;
   2. To remember persons at the time of death;
   3. To say "thank you" for good care and concern;
   4. To honor an individual;
   5. To mark an anniversary or birthday;
   6. To remember beloved pets at the time of death; and
   7. To honor beloved pets.

C. Gifts are acknowledged to both the donor and the family of the remembered person/pet within two (2) days of their receipt. No dollar amounts are revealed to the family. When there are multiple memorial gifts the names and address shall be included in the letter to the family of the remembered person/pet. All additional gifts will be acknowledged at least weekly.

D. The person/pet remembered or honored will be listed in the Annual Report.

E. All tributes, honorariums or memorial gifts will be placed in The Longleaf Fund (unrestricted) account unless otherwise designated.
IV. Non-Cash Gifts

A. Non-Cash/Non-Liquid gifts less than $5,000 may be accepted by the Foundation for the Foundation's unrestricted use, providing they are approved by the President & CEO. The Board of Trustees must approve all non-cash gifts in excess of $5,000.

1. A valid independent appraisal shall be provided by the donor if the gift potentially exceeds $5,000 in order to:
   a) Determine the donor's charitable income tax deduction;
   b) Establish an asking price for resale; and
   c) Establish the value for carrying the assets on the Foundation's records.

2. Other considerations before deciding to accept or decline gifts of personal property will be:
   a) Resale costs;
   b) Storage costs;
   c) Transportation cost;
   d) Maintenance and repair costs; and
   e) Tax or Unrelated Business Income Tax (UBIT) costs.

3. The Foundation will encourage the donor to consult professional advisors before making a gift.

B. The Foundation will advise the potential donor or their professional advisors of the following IRS requirements related to contributions:

1. The donor must complete IRS Form 8283 if total gift value exceeds $500.

2. An appraisal summary must be submitted with the donor's tax return.

3. The donor must have a written appraisal by a qualified appraiser on all gifts in excess of $5,000.

4. The appraisal summary must contain the following information:
   a) Donor's legal name and address and taxpayer's Social Security or Tax Identification Number (EIN).
   b) Description of the property sufficient to demonstrate that the property appraised is the property that was contributed.
   c) For tangible property, a brief summary of the overall physical condition of the property at the time of the donation.
   d) The manner and date of acquisition by donor.
   e) Donor's basis or original purchase price for the property.
   f) The Foundation's legal name, legal address and Tax Identification Number
g) Date the Foundation received the property.

h) Name, address and Taxpayer Identification Number of the qualified appraiser.

i) The appraiser's fair market value of the property on the date of the contribution.

j) The appraiser's declaration that he/she is a qualified appraiser.

k) The appraiser's declaration that the fee for the appraisal was not determined under a prohibited method, that the appraiser has not been disqualified from rendering appraisals for tax purposes.

C. The Director of Trustee & Donor Relations will complete Section B, Part I (Form 8283--Donee Acknowledgment) after reviewing the form for accuracy.

D. The Foundation will complete IRS Form 8282 (Donee Information Return) and send a copy to the donor and the IRS when the Foundation sells, transfers or disposes of the property within two (2) years after the date of the receipt of the contribution if the original value declared exceeded $500.

E. Non-cash charitable gifts will be documented in FIMS.

   1. The Director of Accounting & Finance will report all non-cash contributions at the quarterly Finance & Investment Committee meeting.

   2. The Director of Accounting & Finance will value all non-cash gifts carried on the books of the Foundation, which will be reviewed annually by the Foundation's auditing firm.

   3. Upon valuation of the gift, donors will be recognized, unless anonymity is requested, in the Foundation's Annual Report.

V. Security Gifts

A. Gifts of readily marketable securities will be accepted by the Foundation.

B. The Foundation will maintain in the donor's file a copy of all contents and the instructions of security gifts transmitted. The date the stock is received into the Foundation’s custody account determines the date for computing the value of the gift for the donor's charitable deduction.

C. Securities shall be acknowledged as follows:

   1. Valuation and donor recognition of gifts of stocks, mutual funds, bonds, debentures, etc., regularly traded on an exchange will be valued at the mean between the high and low prices at which the security was traded on the date of acceptance.

   2. If there were no sales on that date or if the date should fall on a day an exchange is closed, the value shall be determined by taking the weighted average of the means
between the highest and lowest sale on the nearest dates before and after the date of acceptance.

3. The Director of Trustee & Donor Relations will provide the donor with a letter stating the stock, number of shares, date of receipt and valuation as defined in Publication 526 within two (2) days of the transaction settling. The letter will further confirm the designation of the gift whether restricted or unrestricted and the specific fund established or credited by the gift.

4. Upon valuation of the gift, donor will be recognized, unless anonymity is requested, in the Foundation's Annual Report.

VI. Endowment Gifts

A. A specified endowment fund may be established upon completion of a fund agreement between the Community Foundation of Northeast Alabama and the donor(s) and other parties (if appropriate) signed by the President & CEO and with the approval of the Foundation's Board of Trustees.

B. Each endowment or charitable fund will have specific guidelines detailing the purpose of the endowment.

C. Endowment funds in excess of $10,000 may bear the name of the principal donor or such individual as designated by the principal donor. In lieu of such a designation, the Board of Trustees may designate the name of the endowment fund. The Board of Trustees may designate the name of the endowment when the endowment fund has no principal donor.

D. Qualified endowment funds shall be named on the books of the Foundation, with grants being published in the quarterly newsletter, Annual Report or other public announcement.

VII. Year-End Gifts

A. An individual can deduct a charitable contribution for income tax purposes only in the year in which it is actually given and accepted. Gifts received by the Foundation or its representatives must be postmarked no later than December 31, or must be delivered or transferred to the Foundation's account by this day or by the last business day of the year.

B. If cash or securities are personally delivered by Donor, a notation should be made on the documents(s) by the person accepting the gift which reads: "Hand delivered on December __, 20__", and a receipt given to the individual donor describing the gift.

C. Acknowledgments of year-end gifts will take place during the first week of the New Year or after the gift is settled in the Foundation's investment account.
VIII. Planned and Deferred Gifts

A. Official acceptance of all planned and deferred gifts will be made by the Board of Trustees based upon the recommendation of the President & CEO. Only those planned and deferred gifts which further the Foundation's charitable mission will be accepted.
   1. If the gift is communicated to the Foundation prior to the donor's death, the donor will be offered the opportunity to enroll in The Anvil Society, the Foundation's perpetual legacy program via a Letter of Intent.
   2. The Foundation's staff will honor the declaration of anonymity if requested.
   3. If a bequest or deferred gift is received without the prior knowledge of the Foundation, then the Foundation's Board of Trustees will make a good-faith decision regarding enrollment in The Anvil Society.
   4. If a donor signs a Letter of Intent and it is later determined, either by the donor's declaration or by evidence, that no gift will benefit the Foundation, then the donor's name shall be removed from The Anvil Society.

B. The Foundation does not provide any benefits to individuals who make a planned or deferred gift to the Foundation other than fulfilling their charitable intent, providing them with a token acknowledgement of their membership in The Anvil Society, and perpetually listing them as members of The Anvil Society.

Declining Gifts or Compromised Donors

A. The Foundation reserves the right to protect its good name and may take appropriate action, with the approval of the Board of Trustees and or legal counsel, to secure its good standing in the community.

B. The Foundation may refuse any gift from anyone if the Board of Trustees believes that it may reflect negatively on the Foundation, regardless of the charitable designation.

C. The Foundation may remove the name of a donor from any list, established fund name or other named recognition if the donor is publicly convicted of a crime or action that would reflect negatively on the Foundation.

D. The Foundation may rename a fund or delete a donor's name from any list including donors who have made immediate gifts, established a named fund or completed a planned gift benefiting the Foundation or a Foundation endowment.

E. The Foundation will continue to make distributions to the charitable intent from an existing compromised or discredited donor so long as the purpose supports the Foundation's charitable mission.
F. The Foundation may close or completely distribute the assets of a compromised or discredited donor if this action would be in the best interest of the Foundation or the community.

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