

**FLORIDA KIWANIS FOUNDATION**  
**POLICY and PROCEDURE MANUAL**

SECTION 2

GIFT ACCEPTANCE POLICIES

1.1

**OUTRIGHT GIFTS**

**1.0 SCOPE**

This procedure describes how the Foundation will accept outright gifts from donors.

**2.0 RESPONSIBILITY**

It is the responsibility of the Administrative Staff and Officers to adhere to this procedure

**3.0 PROCEDURE**

3.1 Gifts to the Florida Kiwanis Foundation, Inc. (Foundation) may be made in any amount for the benefit of the Foundation. Unless restricted by donor, all gifts will be used as determined by the Board of Trustees.

**Outright Gifts**

- I. Cash. The Foundation may accept cash, checks, money orders, gifts via credit card and PayPal.
- II. Marketable Securities. The Foundation may accept gifts of publicly traded stocks and bonds. When the securities are in "street name", they are to be transferred to the Foundation's account and shall be sold upon receipt from the donor.
- III. Stock in Privately Owned Companies including subchapter S corporation should not be accepted unless a market exists for the stock, or the Companies have an agreement to purchase stock at a specific price (similar to Publix). All marketable stock in Privately Owned Companies should be immediately sold. In order to accept stock in Privately Owned Companies, such stocks must be accompanied by a qualified appraisal performed by an independent professional appraiser and provided to the Foundation. The stocks are to be sold as soon as possible. They are to be held in a safe or Safe Deposit Box until redeemed. Prior to acceptance, such gifts must be reviewed by the Executive Committee (if created) or the Board, the Investment Committee, and legal counsel.
- IV. Real Estate. All real estate gifts must be approved by the Board of Trustees. Prior to approval, such gifts are to be reviewed by the Executive Committee (if created) or the Board, the Investment Committee, and legal counsel. Concerns which shall be taken into consideration may include legality,

mortgages, easements, restrictions, and environmental issues. The property should be sold by the Foundation within a 9-12 month period without restrictions from the donor. The donor must provide for obligations such as taxes, maintenance and insurance until sold. The Foundation will not be responsible for the tax consequences regarding the donation by the donor. See Appendix A for a checklist on Acceptance of Real Property donations.

- V. Tangible Personal Property. The property must be saleable and the donor must agree that the property can be sold unless the Foundation agrees to use the property for a purpose related to its exempt purpose. At least one qualified appraisal (for any item over \$750.00) by an independent professional is required to be provided to the Foundation. Prior to approval, such gifts are to be reviewed by the Executive Committee (if created) or the Board, the Investment Committee, and legal counsel.
  - VI. Partnership Interests and Interests in Limited Liability Companies (LLC). The Foundation does not accept gifts of general partnership interests. Prior to approval of gifts of limited partnership interests or interests in an LLC all relevant partnership and LLC agreements will be reviewed by the Executive Committee (if created) or the Board, the Investment Committee, and legal counsel with particular attention given to the activity of the partnership/LLC and how allocations are made. Further, the underlying assets and liabilities of the partnership/LLC will be reviewed. Limited partnership interests in family limited partnerships will be considered also subject to review by the Executive Committee (if created) or the Board, the Investment Committee, and legal counsel. See Appendix C “Family Limited Partnership Gift Acceptance Policy Statement”.
  - VII. Other outright gifts not addressed above will be subject to review by the Foundation Executive Committee (if created) or the Board, the Investment Committee, and legal counsel.
- 3.2 The Florida Kiwanis Foundation, Inc. reserves the right to refuse any gift that it believes is not in the best interest of the Foundation.

## APPENDIX A

### Checklist of Required Items in Connection with Consideration or Acceptance of Real Estate Donation

1. Exact legal name of donor(s) and federal I.D. number.
2. Legal description of property.
3. A qualified appraisal on the property based on its current use performed by an independent professional appraiser and provided to the Foundation at no cost to the Foundation.

4. Description of any buildings or other structures located on the land.
5. Boundary survey of property with location of all structures, easements and encumbrances appearing on the face of the survey.
6. Information regarding mortgage, if any.
7. Information regarding existing or proposed zoning status.
8. Information on all ingress/egress for the property.
9. Description of prior use of the property, with specific disclosure of any storage tanks or any potential adverse environmental factors affecting the property or surrounding properties.
10. Description of use of surrounding properties (See #8 above)
11. A title insurance commitment or schedule describing all liens, encumbrances or title matters affecting the property, to be paid by the donor.
12. Copy of a certified appraisal showing the fair market value of the property current within 90 days.
13. Disclosure of amount of existing and proposed (if available) real estate taxes, insurance premiums and assessments attributable to the property.
14. Discussion with proposed donor regarding any special arrangements for donor's funds or other sources to address ongoing expenses for taxes, insurance, assessments, maintenance, grass cutting, security, utilities, etc.
15. Specimen of proposed Seller's Affidavit disclosing any and all tenants, leases, security instruments, graves or cemetery.
16. Draft of proposed Warranty Deed conveying title from proposed donor to the Florida Kiwanis Foundation, Inc.
17. A hold harmless provision regarding the amount of any future sale of the property or tax ramifications of any sale for the donor.
18. Any pending or foreseen litigation.

## APPENDIX B

### Family Limited Partnership Gift Acceptance Policy Statement

Prior to the Foundation accepting family limited partnership interests, the partnership agreement must be reviewed by the Executive Committee (if created) or the Board, the Investment Committee and legal counsel. The Investment Committee will review the agreement's structure, function and underlying assets. Issues to be reviewed include but are not limited to the following:

Value of the limited partnership interest: Generally, a minimum discounted value of the limited partnership interest, as established by a qualified appraisal, of \$10,000 is required. The beneficiary of both the income stream and the liquidation proceeds of the limited partnership interest must be the Foundation.

Costs to the Foundation in holding the interest such as administrative responsibilities, tax return preparation and unrelated business income tax: The donor may be asked to cover all or some of these costs, particularly the unrelated business income tax which may be generated by phantom income.

Other consideration shall include but may not be limited to:

Is the Foundation's interest sufficiently liquid?

Does the agreement provide the Foundation the power to redeem its interest, either through a preferred interest with a guaranteed return or a series of put options upon the expiration of which the Foundation has a right to absolute redemption or another method agreed upon by both parties?

Do the "family" partners intend to liquidate at some point in time?

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SECTION 2

GIFT ACCEPTANCE POLICIES

1.2

DEFERRED GIFTS

1.0 SCOPE:

This procedure describes how the Foundation receives deferred gifts

2.0 RESPONSIBILITY:

It is the responsibility of the Administrative Staff and Officers to ensure how deferred gifts are received

3.0 PROCEDURE

- 3.1 Gifts to the Florida Kiwanis Foundation, Inc. (Foundation) may be made in any amount for the benefit of the Foundation. Unless restricted by donor, all gifts will be used as determined by the Board of Trustees.

Deferred Gifts

- I. Bequests. The Foundation may receive bequests from persons who have directed in their wills that certain assets be transferred to the Foundation.
- II. Life Insurance. The Foundation may accept life insurance policies for which the donor has relinquished ownership by assigning all rights, title, and interest in the policy to the Foundation. If an insurance policy is not fully paid up, the usefulness of the gift will be assessed on a case-by-case basis. If the policy is accepted, the Foundation may choose either to cash it in for the current surrender value or to continue to pay the premium (e.g., the Foundation may pay the premium on a policy for which the donor provides an annual contribution equal to the premium). See Appendix B “Life Insurance Gift Acceptance Policy”.
- III. Life Income Arrangements. Several types of deferred giving arrangements can be established during one’s lifetime or through a will and can be structured to provide a life income for oneself or a loved one. Life income arrangements include: charitable remainder annuity trust, charitable remainder unitrust, and a remainder interest in a residence or farm. Charitable lead trusts provide income over a term of years or a person’s lifetime to charity. The Foundation may accept gifts from charitable remainder trusts in a form substantially similar to the forms approved by the United States Treasury Department or are otherwise determined by the Foundation’s legal counsel to be legal trusts for administration by the Foundation.

- 3.2 The Florida Kiwanis Foundation, Inc. reserves the right to refuse any gift that it believes is not in the best interest of the Foundation.

## APPENDIX

### A

#### Life Insurance Gift Acceptance Policy

The Foundation may accept life insurance policies as gifts to the Foundation on the following terms.

1. The Foundation shall be both the owner and the beneficiary of any policy accepted by the Foundation. The Foundation may decline to accept any insurance policy if it is not in the best interest of the Foundation to accept the proposed gift.
2. The donor agrees that the proceeds from the policy will be the property of the Foundation for the benefit of the Foundation for such purposes as designated by the donor subject to the policies and procedures of the Foundation.
3. The Foundation shall have the option, but be under no obligation to continue premium payments on insurance policies.
4. If any insurance policy lapses for non-payment prior to maturity because a donor fails to provide sufficiently for premium payments, the Foundation may redeem the policy and apply the proceeds from any cash settlement to the Endowment Fund of the Foundation.
5. The minimum dollar amount of any life insurance policy to be considered for acceptance by the Foundation is \$5,000.
6. The Foundation does not participate in charitable split dollar insurance plans.