

GIFT ACCEPTANCE POLICIES

I. PURPOSE OF POLICY AND GUIDELINES

The purpose of the Gift Acceptance Policy and Guidelines is to guide the efforts of the Board of Directors of the Supreme Temple, Daughters of the Nile Foundation, donors, and their professional advisor(s) in processing gifts to achieve the donor's charitable goals. This document summarizes the policies and guidelines for accepting various types of assets and the types of gift mechanisms that can be used. The Foundation seeks to ensure that any asset it accepts does not place the Foundation or donor at risk.

II. GIFT ACCEPTANCE

A. Gift Factors

The following factors will be considered in determining whether gifts should be accepted by the Foundation:

1. Meets IRS qualifications as a charitable gift;
2. Nature of and documentation of any donor restrictions or conditions;
3. Economic practicality of administering the gift;
4. Marketability of the gift;
5. Liability risks (financial, legal, nonprofit status); and
6. Whether gift is subject to unrelated business income tax ("UBIT").

III. TYPES OF GIFTS

A. Restrictions

In conformance with applicable statutes and regulations governing public charities, 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 employing the transferred assets or the income derived from them in furtherance of its exempt purposes.

B. Asset Types

The Foundation will accept the following gifts using the criteria noted within each gift type. If the donor wishes to have a gift receipt from the Foundation, the donor should provide his/her name and address. Other documents may be necessary for some asset types.

1. **Cash, cash equivalents or checks.** Cash is acceptable in any form. Checks may be made payable either to the "Supreme Temple, Daughters of the Nile Foundation," "the Nile Foundation," or "DON," and shall be delivered to either the Foundation's Secretary or Treasurer. Information as to the purpose for which the

contribution is to be used should also be provided.

2. **Pledges.** Written pledges to make future gifts will be accepted. When appropriate, the donor will be invoiced according to the donor's established schedule.
3. **Publicly Traded Securities.** Publicly traded stocks and bonds may be electronically transferred, re-registered in the name of the Foundation or conveyed through use of a stock power form. The Foundation will also accept shares in mutual funds.

As a general rule, all marketable securities shall be sold upon receipt. Donors will be advised of this practice and may not request the Foundation to engage in market timing. In some cases, applicable securities laws may restrict marketable securities; in such instance, the Executive Committee shall make the final determination on the acceptance of the restricted securities.

4. **Closely Held Securities.** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs, LLCs, Limited Partnerships, Family Limited Partnerships, Charitable Limited Partnerships, or other ownership forms, can be accepted subject to the approval of the Executive Committee. However, gifts must be reviewed prior to acceptance to determine that:
 - a. there are no restrictions on the securities that would prevent the Foundation from ultimately converting those assets to cash;
 - b. the security is marketable; and
 - c. the security will not generate any undesirable tax consequences for the Foundation.

If potential problems arise on initial review of the security, additional review from an outside professional shall be sought before making a final decision on acceptance of the gift. The final acceptance decision shall be made by the Board of Directors and legal counsel, where necessary.

5. **Real Property.** It shall be the policy of the Foundation to liquidate all real estate gifts as soon as possible unless otherwise instructed by the Investment Committee. Before accepting a gift of real estate, all pertinent items on the Land Donation Checklist must be met; including, clear title, no debt attached, no environmental issues, and readily marketable. *Please see Exhibit A.*

A. General Guidelines:

1. All transactions in real estate exceeding \$500,000 will be

approved by both the Investment Committee and the Board of Directors.

2. The Investment Committee shall approve all other transactions in real estate.

B. Policies and Procedures for Farm Leases and Other Rental Properties:

1. As a general rule, farm and rental property will be liquidated as soon as possible.

In the event that property is retained as an investment or until sold, the following procedures may apply:

a. Farm Leases: All farm properties will be moved to cash rent at the earliest opportunity.

b. Rental Property other than Farms: The Investment Committee may seek the advice of local real estate companies in arriving at an equitable rent. The Investment Committee is authorized to determine the rental rate, to conclude the rental agreement, and to seek services to administer the property.

6. **Insurance policies.** Donors may transfer ownership of paid-up policies or premium-due policies to the Foundation. In either case, the Foundation shall be the owner and permanent beneficiary of the policy and retain the policy in the office of the Foundation Secretary.

Contributions for premium-due policies must be made directly to the Foundation at least ten (10) days prior to the premium date. **It is the Foundation's practice to hold life insurance policies until maturity; but, the Foundation, as the owner of the policy, reserves the right to redeem the policy before maturity and to determine how best to use the cash value. This right usually applies only upon default of contributions toward premium payments.**

7. **Retirement Assets.** "Account" type retirement plans, in which a balance accumulates as principal, may be gifted to the Foundation. These include Individual Retirement Accounts ("IRA"), 401(k), 403(b), and defined contribution plans. ("Annuity" plans, such as defined benefit plans in which retirement benefits are paid out as income and principal does not accumulate, generally cannot be used for making charitable gifts.)

A. Methods for gifting retirement assets include:

1. Naming the Foundation as successor or contingent

beneficiary for all or part of the assets upon death of either the retirement asset owner or spouse;

2. Creating a testamentary charitable remainder trust with the assets upon the death of the asset owner, in which the Foundation is named as the remainder beneficiary and non-charitable heirs as income beneficiaries.

8. **Other Assets.** The Foundation can accept other assets, such as personal property, royalties, and interests in a business. These gifts will be evaluated on a case-by-case basis, using the gift factors noted in Section II.
9. **Planned and Testamentary Gifts.** The Foundation's planned and testamentary giving program encompasses all forms of gifts whose benefits do not fully accrue to the Foundation until some future time; such as, the death of the donor or other beneficiaries, the expiration of a predetermined period of time, or whose benefits to the foundation are then followed by the interests of non-charitable beneficiaries.

While there are many types of planned and testamentary gifts where the Foundation would be the income beneficiary or remainderman, the most common are:

- A. **Charitable Remainder Trusts.** The Foundation may accept designation as remainder beneficiary of a charitable remainder trust.
- B. **Charitable Lead Trusts.** The Foundation may accept a designation as income beneficiary of a charitable lead trust.
- C. **Gift Annuities.** The Foundation does not accept gifts to create gift annuities.
- D. **Retirement Plan Beneficiary Designations.** The Foundation can accept gifts from retirement plans and encourages its donors to name it as a beneficiary in an IRA, 401(k), 403(b), or other retirement plans.

EXHIBIT A

LAND DONATION CHECKLIST - NOT FROM ESTATES

BEFORE ACCEPTING A GIFT (clear title, NO debt, NO environment issues, and ready marketability):

- _____ Receive written communication from donor or agent as to their intent to make the gift. They also need to provide the legal description of the property at this time.
- _____ Written agreement/understanding with donor that donor will pay for related expenses of transfer, if gift is not accepted.
- _____ Appraisal done by and paid by donor (appraisal copy to the Foundation)
- _____ Physically observe the real estate (when possible)
- _____ Investment Committee to consult with real estate agent(s) to determine the potential value and marketability
- _____ Order title search on the property. Determine the transferability and potential problem areas from such a search. Verify there is NO debt.
- _____ Order Phase I environmental site assessment. Such assessment should, at a minimum, include inquiry into the following areas:
 - 50-year title history
 - Aerial photographs and Sanborn Fire Insurance maps
 - Existence of Federal, State, and local statutory environmental clean-up liens.
 - Review of Government records of sites where there have been releases that are likely to cause contamination at the site.
 - Visual inspection of the site and immediately adjacent sites, including investigation into chemical use, storage, treatment and disposal practices at the site and adjacent sites
 - On-site interview
 - Asbestos
 - Radon
 - Lead-based paint
 - Underground and above ground storage tanks. They may wish to contact the fire marshall to determine the location of all such fuel oil tanks

It is important to ask the vendor doing the Phase I research and testing to provide a certificate of insurance which verifies a minimum of \$1 million of

insurance and indemnification coverage

ACCEPTING GIFT:

- _____ Acceptance of gift by Investment Committee (via fax or e-mail vote)
- _____ Approve leases (if any)

AFTER ACCEPTING GIFT AND BEFORE SELLING THE GIFT:

Enter into the following agreements with the donor:

- _____ Fund Agreement, to be reviewed by Foundation attorney, if applicable (if a restricted donation either by purpose or time)
- _____ Subsequent expenses reimbursement and fee agreement (if not covered in pre-acceptance agreement)
- _____ Deed execution
- _____ Title insurance policy
- _____ Obtain liability coverage for the site until sold
- _____ Record deed
- _____ Receipt issued for gift

PREPARING TO SELL THE GIFT:

- _____ Investment Committee approve selling price range (via fax or e-mail vote)
- _____ Contract with real estate agent to sell property

AFTER SELLING THE GIFT:

- _____ Place sale proceeds into Foundation Endowment fund (net of expenses, commissions and fees)
- _____ File Form 8282 with the IRS (if sold within two (2) years of gift date and if original gift was over \$5,000)
- _____ Cancel liability coverage