

Crossroads Fund

Gift Acceptance Policies and Guidelines

GENERAL

- A. Payment of commitments to Crossroads Fund (CF) may take the form of cash and/or marketable securities and can be expected to be paid within a reasonable time period (1-3 years). Land gifts and other property will be considered individually and must be appropriately appraised and receive Board approval.
- B. Commitments will be publicly recognized and/or commemorated consistent with the donor's wishes and the approval of the Development and Communications Committee. Requests by donors for anonymity will be honored.

Permission to publicly recognize a donor and his/her gift will be assumed unless otherwise requested.

- C. Gifts will not be accepted where there is no charitable intent on the part of the donor.
- D. It is the general policy of the Foundation to convert non-cash gifts to cash as quickly as possible.

PLEDGES

- A. No oral pledges will be recognized as having been made. Either a signed pledge or letter of intent must be in the possession of Crossroads Fund before a pledge is recorded.
- B. The normal pledge payment period for gifts to an endowment will be up to five years. Exceptions may be made for significantly large gifts at the discretion of the Board.
- C. Permanent donor recognition will be based upon the full payment of pledge commitments within a five-year period.

GIFT VALUATIONS

- A. Cash: The gift valuation is the amount of cash received.
- B. Publicly Traded Securities: For purposes of Crossroads Fund's record keeping and gift recognition, gifts of securities will be valued at the average market value on the date the full interest in the transferred property is given. It is the responsibility of the donor to determine the fair market value of the stock gift for tax purposes.
- C. Privately Held Securities: Gifts of closely held stock will be valued based on a qualified independent appraisal at the time of transfer. Generally, gifts of privately

held securities will be accepted only when conversion into cash within a 3-5 year time-frame is expected.

RESPONSIBILITY OF DONORS

- A. Information concerning gift planning that is provided by Crossroads Fund is to be used for illustrative purposes only and is not to be relied upon exclusively in individual circumstances. A letter of understanding from a donor of a non-cash gift may be required along with proof that outside advice has been rendered before such a gift will be accepted.
- B. All potential or proposed planned gifts or restricted gifts will be individually reviewed by the Executive Director and Development and Communications Committee. Prospective donors are encouraged to request, and may expect to receive, a letter from the CF Executive Director regarding agreements to restrictions placed upon the proposed gift by the donor.
- C. Although representatives of CF will provide all appropriate assistance, the ultimate responsibility regarding evaluations, tax deductibility and/or such counsel as the donor may wish to secure is the responsibility of the donor.
- D. To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, or the dissemination of income or estate tax advice, all donors of non-cash gifts must indicate the names and addresses of professional advisors rendering an opinion on the gift.

GIFT ACCEPTANCE

- A. Either the Executive Director or Development Director is authorized to approve gifts of marketable securities and cash.
- B. Gifts of property other than marketable securities or cash, and other than real estate, valued at under \$10,000, may be accepted by the Executive Director. Gifts of property other than cash or marketable securities valued at more than \$10,000 and all gifts of real estate require review and approval of the Development and Communications Committee.
- C. In cases where gifts of marketable securities or cash, or gifts of property, other than real estate, valued at less than \$10,000 appear inappropriate for the Foundation, the Executive Director or Development Director will consult with the Development and Communications Committee. (See GIFTS INAPPROPRIATE FOR SOLICITATION OR ACCEPTANCE on page 4).

LIFE INSURANCE GIFTS

The Crossroads Fund is pleased to be named as the beneficiary of any life insurance policy. Outright gifts of life insurance policies (either paid up or not paid up) may be accepted by Crossroads Fund. All life insurance policy gifts will be evaluated on a case by case basis and must be approved by the Development and Communications Committee.

BEQUESTS

Anyone is free to make a bequest to the Foundation without consulting the Crossroads Fund Board of Directors. People will be encouraged to remember the Foundation in their wills and living trusts or other testamentary documents.

If a will is in effect at the time the person dies, and the Foundation is named as beneficiary, the contribution will be distributed in accordance with the wishes of the donor. Should funds be received without restriction, any gift over \$200,000 will be distributed in the following manner: The operating reserve will be refunded to achieve maximum balance as stated in the reserve policy; after which 10% should be allocated for administrative overhead and the remainder should be placed in the endowment. Any gift under \$200,000 can be used as a part of the annual fund at Crossroads. This policy will be in effect until the endowment reaches a total of \$20 million, at which time, the percentage allocated to the Endowment Fund from unrestricted bequests will be reviewed by the Board of Directors.

In the case of gift bequests, a prospective donor will receive a recommendation to consult his or her own attorney and/or tax advisor.

CHARITABLE REMAINDER ANNUITY AND UNITRUSTS

Annuity Trusts: This type of trust provides payment to the donor and/or income recipient annually in an amount equal to a set percentage of the fair market value of the assets in the trust, determined by law. Once the trust is written, it cannot be changed.

Charitable Remainder Unitrust: As with the Annuity Trust, only the assets in the trust back the commitment to the donor. The basic difference is that the donor and/or income recipient annually receives an amount in money, fixed irrevocably at the time of the gift. If the income in any one year is less than the annual payment, the difference is taken from realized capital gain and/or principal.

CHARITABLE INCOME TRUSTS

An individual donor may transfer assets to a trustee and provide that a certain amount of income shall be paid to a charitable entity for a fixed term of years. At the end of the prescribed term of years, the assets are returned to the donor or may be passed on to other individuals selected by the donor.

TRUSTEE APPOINTMENTS

Members of Crossroads Fund's Board of Directors nor staff shall serve as fiduciaries of a donor's estate or trust, except in special circumstances that will require the approval of the Development and Communications Committee.

GIFTS INAPPROPRIATE FOR SOLICITATION OR ACCEPTANCE

Although most proposed gifts may be acceptable to the donor, some gifts may be inappropriate for the Foundation including donations which may result in economic benefit to the donor(s) and gifts that are not within the parameters of the Foundation's missions and values. Any donations that appear inappropriate for the foundation will require approval of the Development and Communications Committee.

LEGAL AND PROFESSIONAL FEES

It is the general policy of the Foundation that legal fees for completion of all gifts to the Foundation shall be the responsibility of the Donor. In certain circumstances, Crossroads Fund may pay professional legal fees at the discretion of the Executive Director or Development and Communications Committee.

USE OF LEGAL COUNSEL

The Foundation shall seek advice of legal counsel when appropriate including, but not limited to:

- The review of certain gifts subject to restrictions
- The review of all transactions governed by contracts or legal documents
- The review of all transactions with potential of conflicts of interest
- Other circumstances in which the Board believe that use of counsel are appropriate