

## GIFT ACCEPTANCE POLICY

### 1. Policy and Purposes

This Policy represents the policy of the **Wyoming Catholic Ministries Foundation** (“WCMF”) governing the solicitation and acceptance of gifts by the WCMF. The Board of Directors (“Board”) of the WCMF and its staff solicit current and deferred gifts from individuals, corporations, foundations and others for purposes that will further and fulfill the WCMF’s mission. Purposes of this Policy include: (a) guidance for the Board, officers, staff and other constituencies with respect to their responsibilities concerning gifts to the WCMF; and (b) guidance to prospective donors and their professional advisors when making gifts to the WCMF. The provisions of this Policy shall apply to all gifts received by the WCMF. Notwithstanding the foregoing, the WCMF reserves the right to revise or revoke this Policy at any time, and to make exceptions to the Policy.

The mission of the WCMF is:

*To establish and maintain a foundation for supporting the religious, charitable, ministerial, and educational programs of the Roman Catholic Church in the State of Wyoming, as expressed in the teachings, the canon law, and the customs and practices of the Roman Catholic Church.*

### Use of Legal Counsel

- A. **The WCMF.** The WCMF shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel is recommended for:
- (1) Closely held stock transfers that are subject to restrictions or buy-sell agreements;
  - (2) Documents naming the WCMF as trustee;
  - (3) Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring the WCMF to assume an obligation;
  - (4) Transactions with a potential conflict of interest;
  - (5) Gifts of real estate;
  - (6) Pledge agreements;
  - (7) Any gift with restrictions.
- B. **Donor.** For non-standard gifts, in order to avoid any conflicts or potential conflicts of interest, the WCMF encourages prospective donors to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

### 3. General Policy

The WCMF shall not accept gifts that:

- (1) Violate the terms of the WCMF's organizational documents;
- (2) Would jeopardize the WCMF's status as an exempt organization under federal or state law;
- (3) Are too difficult or expensive to administer;
- (4) Are for purposes that do not further the WCMF's objectives; or
- (5) Could damage the reputation of the WCMF.

Subject to Section 4 below, all final decisions on the acceptance or refusal of a gift shall be made by the Board.

### 4. Policy Regarding Specific Types of Gifts

**A. Gifts Generally Accepted Without Review (Unrestricted Gifts of Cash).** The WCMF will accept unrestricted gifts of cash without prior review by The Board, provided that, for donations of \$250,000 or more, the identity of the donor has been vetted with respect to any reputational or policy issues. Unrestricted gifts of cash are acceptable in any form. Checks shall be made payable to the WCMF.

**B. Gifts Subject to Board Review Prior to Acceptance.** All gifts, other than unrestricted gifts of cash, must be reviewed by the Board prior to acceptance, unless the Board authorizes certain de minimis gifts or categories of gifts to be accepted without its review. The following guidelines also apply:

- (1) **Tangible Personal Property:** The Board shall review and decide whether to accept gifts of tangible personal property by considering the following factors:
  - i. Whether the property furthers the mission of the WCMF;
  - ii. The marketability of the property;
  - iii. The restrictions on the use, display, or sale of the property; and
  - iv. Carrying costs and possible liability for the property.

(2) **Marketable Securities:**

- i. Unrestricted marketable securities may be transferred to an account maintained by the WCMF at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. All marketable securities shall normally be sold or delivered to the WCMF's investment managers to be sold or kept, at their discretion, for the benefit of the WCMF, as soon as practical following receipt, unless otherwise directed by the WCMF's Board.
- ii. If the marketable securities are restricted by applicable securities laws, the Board shall make the final determination on the acceptance of the restricted securities.

(3) **Closely-Held Securities:** Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, can be accepted subject to the approval of the Board of the WCMF. The Board shall review and decide whether to accept closely held securities based on the following factors:

- i. Restrictions on the security that would prevent the WCMF from ultimately converting the securities to cash;
- ii. The marketability of the securities; and
- iii. Any undesirable consequences for the WCMF from accepting the securities.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Board of the WCMF with advice of legal counsel when deemed necessary. Prior to their acceptance as a gift, arrangements shall be made in conjunction with the donor for the sale of non-marketable securities and they shall be sold as quickly as possible.

(4) **Bequests:** Donors may make bequests to the WCMF under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with GAAP.

(5) **Charitable Remainder Trusts:** The WCMF may accept designations as remainder beneficiary of a charitable remainder trust. The WCMF may accept appointment as trustee of a charitable remainder trust.

(6) **Charitable Lead Trusts:** The WCMF may accept designations as income beneficiary of a charitable lead trust. The WCMF may accept an appointment as trustee of a charitable lead trust.

(7) **Retirement Plan Beneficiary Designations:** The WCMF may accept designations as beneficiary of donors' retirement plans. Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with GAAP.

(8) **Life Insurance:** The WCMF may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once the WCMF is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules. If the donor contributes future premium payments, the WCMF will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the WCMF may:

- i. Continue to pay the premiums;
- ii. Convert the policy to paid up insurance, or
- iii. Surrender the policy for its current cash value.

Donors may name the WCMF as beneficiary or contingent beneficiary of their life insurance policies. Designations will not be recorded<sub>11</sub> as gifts until the gift is irrevocable. Where the

gift is irrevocable, the gift shall be recorded in accordance with GAAP.

- (9) Charitable Gift Annuities:** The WCMF may offer charitable gift annuities. The minimum gift for funding is \$25,000. The minimum age for life income beneficiaries of a gift annuity shall be 60. No more than 1 (one) life income beneficiaries will be permitted for any gift annuity. The Board may make exceptions to these minimums.

*Payment Schedule.* Annuity payments may be made on a quarterly, semiannual, or annual schedule. The Board may approve exceptions to this payment schedule.

*Illiquid Assets.* The WCMF may accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The WCMF may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities if there is at least a five (5) year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Board approves the arrangement. The Board may approve exceptions to this policy.

- (10) Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest.

*Environmental Review.* Prior to acceptance of real estate, the WCMF shall require an initial environmental review of the property to ensure that the property has no environmental problem. If the initial inspection reveals a potential problem, the WCMF shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor.

*Title Binder.* A title binder shall be obtained by the WCMF prior to the acceptance of the real property gift when appropriate. The cost of this title binder shall be an expense of the donor.

*Factors for Acceptance.* The Board and legal counsel shall review and decide whether to accept real property based on the following factors:

- i. Whether the property is useful for the purposes of the WCMF;
- ii. The marketability of the property;
- iii. Any encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property;
- iv. Any carrying costs associated with the property, including insurance, property taxes, mortgages, notes or other costs;
- v. Any concerns which the environmental audit revealed.

- (11) Remainder Interests in Property:** The WCMF will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of this Paragraph 4. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the life<sup>12</sup> tenant(s), the WCMF may use the property

or reduce it to cash. Expenses for maintenance, real estate taxes, and any property indebtedness shall be paid by the donor or primary beneficiary.

**(12) Oil, Gas, and Mineral Interests:** Due to the complex nature of administering gifts of oil, gas and mineral interests, the WCMF will not generally accept gifts of oil, gas or mineral property interests. The Board may make exceptions to this policy.

**(13) Restricted Gifts:** A gift with restrictions will be accepted only if and when the restrictions are approved by the Board.

**(14) Named Funds:** A donor, or group of donors, may contribute and name a fund and restrict the use of the income or principal of the fund. Named funds require a minimum contribution of \$ 25,000 and are subject to Board approval like any other restricted gift.

## **5. Additional Provisions**

**A. Gift Agreements.** Where appropriate, the WCMF shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition.

**B. Pledge Agreements.** Acceptance by the WCMF of pledges by donors of future support of the WCMF (including by way of matching gift commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, which may include provisions regarding donor recognition.

**C. Fees.** The WCMF will not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by donor for completing the gift; (2) appraisal fees; (3) environmental audits and title binders (in the case of real property); and (4) all other third-party fees associated with the transfer of the gift to the WCMF.

**D. Valuation of Gifts.** The WCMF shall record gifts received at their valuation on the date of gift, except that, when a gift is irrevocable, but is not due until a future date, the gift may be recorded at the time the gift becomes irrevocable in accordance with GAAP.

**E. Written Acknowledgement.** The Board of the WCMF shall provide written acknowledgement of all gifts made to the WCMF and comply with the current IRS requirements in acknowledgement of the gifts.

**F. Changes to or Deviations from the Policy.** This Policy has been reviewed and accepted by the WCMF's Board, which has the sole power to change this Policy. In addition, the Board must approve in writing any deviations from this Policy.

#####