

CASA KANE COUNTY
“GROW A HEALTH CHILD” CAMPAIGN AND ENDOWMENT
GIFT ACCEPTANCE POLICY

POLICY STATEMENT

CASA Kane County and its governing body, the Board of Directors, strongly encourage the solicitation and acceptance of gifts that enable it to fulfill its mission to advocate for the best interests of abused and neglected children within the Juvenile and Probate Court systems. Its existence is based on the belief that every child has the right to a safe and permanent home allowing them the chance to reach their full potential in life. For an organization dedicated to these goals, gifts are essential to its survival and continued development.

This policy is designed to facilitate the gift-giving process by providing guidance to the CASA Kane County donor community and the general public. This policy is intended to allow prospective CASA Kane County donors the greatest freedom possible in formulating their gifts.

Special Gift Considerations during the CASA Campaign and Endowment

CASA Kane County will honor the donative intent on all gifts received. Separate accounts and reporting systems will be established to steward gifts for the specific intentions and purposes. Gifts received for the Campaign and Endowment will be used as the donor directs unless it becomes impossible or impractical for CASA to carry out the donor’s original intentions. [CASA will contact the donor to request re-designation of the gift toward other CASA special projects or annual operations.]

Material and In-kind contributions to the Campaign and Endowment will be set at the fair market value of the specific goods or services provided. The fair market value of these gifts is determined jointly by the donor and CASA after which a letter and receipt of the contribution will be provided to the donor by CASA. (In-kind contributions are defined under federal guidelines as contributions other than cash.)

USE OF LEGAL COUNSEL AND FINANCIAL ADVISORS

CASA Kane County shall seek the advice of legal counsel and financial advisors in matters relating to gift acceptance when appropriate. Prospective donors are urged to seek the assistance of personal legal and financial advisors in matters related to their gifts and the resulting tax and estate planning consequences.

RESTRICTIONS ON GIFTS

CASA Kane County will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission, purposes and priorities. The decision as to whether to accept a gift will be made by the CASA Kane County Board of Directors, and/or an individual or committee appointed by the Board of Directors.

METHODS OF GIVING

Many types of assets may be used to provide gifts to CASA Kane County. A variety of methods of current or deferred giving allows donors to choose the most appropriate means to best fit their personal interests and circumstances.

RESTRICTED AND/OR UNRESTRICTED ENDOWMENT FUNDS

CASA Kane County shall approve the establishment of restricted or unrestricted Campaign and Endowment funds upon receipt of designated gifts or commitments that meet its approved financial and other criteria. The Executive Committee of the Board of Directors must approve endowments bearing individuals' names or otherwise rendered discrete from unrestricted funds.

CASA Kane County will work with prospective donors on the terms and conditions of restricted or unrestricted endowments of at least \$100,000.00

All endowment instruments will contain the following contingency clause:

At the discretion of the Board of Directors of CASA Kane County, if all or part of the endowment funds cannot be applied according to the designation of the Donor, those funds may be used for other appropriate purposes as nearly aligned to the designation of the donor.

OUTRIGHT GIFTS

Outright gifts are those made for the immediate use of CASA Kane County and in which the donor retains no possessory interest. Such gifts may be restricted or unrestricted in purpose. Gifts that are made to CASA Kane County without limitation will be placed in CASA Kane County's unrestricted fund account(s).

GIFT AGREEMENT

Whenever a gift fund is created, a written gift agreement will be tendered by CASA Kane County to the Donor. The agreement will set out the donor's specific criteria for how CASA Kane County will utilize the donor's gift. It ensures that the gift will always be used exactly as the donor intended. It also may set out provisions for alternative uses should it become impossible or impractical for CASA Kane County to carry out the donor's original intention.

TYPES OF GIFTS

CASH GIFTS

Checks should be made payable to CASA Kane County "Grow a Healthy Child" Campaign and mailed or delivered to:

CASA Kane County
100 S. Third Street, Suite 460
Geneva, IL 60134

The date on the check is the gift date for cash gifts mailed to CASA Kane County.

CASA Kane County will issue an IRS Form 8300 or current form to the Payer listed on the check for gifts over \$10,000 or current amount required by IRS. No form is currently required for gifts less than \$10,000. IRS Form 8283 or current form will be issued for non-cash contributions.

GIFTS OF APPRECIATED PROPERTY

Charitable gifts of appreciated property – whether real estate or capital gain securities – can provide even greater tax benefits than a cash gift of equal value.

A gift of appreciated property is considered made on the day the transfer is completed. Please contact CASA Kane County for specific instructions.

Features and Benefits of this type of gift:

- Opportunity to make a substantial gift to CASA Campaign and Endowment
- Potential charitable income tax deduction for donor
- CASA Kane County can make immediate use of the donor's gift
- Donor avoids capital gains tax
- Potential estate tax and probate savings to the donor

Donors should seek advice from their personal tax advisor or professional in determining whether gifts of appreciated property meet their donative objectives.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County as to accept or decline gifts of Appreciated Property.

IRA CHARITABLE ROLLOVER

CASA Kane County will accept rollovers of Individual Retirement Accounts (IRA), to the extent permitted by law, as a qualified charitable distribution, provided the gift is tax exempt to CASA Kane County. It will be the responsibility of the donor to confirm and notify CASA Kane County in writing that the IRA rollover meets the requirements and conditions as tax exempt under State and Federal law.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline gifts of an IRA Charitable Rollover.

GIFTS OF SECURITIES

Publicly traded securities, shares of stock, bonds and government issues may be given to CASA Kane County. Prospective donors should be advised that CASA Kane County reserves the right to sell such securities.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline gifts of Securities.

PUBLICLY-TRADED SECURITIES

These securities are regularly traded on a public exchange. The value of the gift will be the mean average of the highest and lowest selling prices quoted for the security on the day of the gift, as described below in “Methods of Delivery.”

Methods of Delivery

Having a broker deposit the certificates at the (CASA to **insert name of its Depository Trust Company (DTC)**) where securities will be held in “street name” and who may facilitate gifts of securities held in certificate form. (**insert name of DTC**) is a book-entry system that facilitates timely and accurate delivery of securities and automatically credits income to the account on the payable date. When the donor is ready to donate the securities, the donor has the broker instruct (**insert name of DTC**) to electronically transfer the securities to an account for CASA Kane County. The date of gift for a gift of securities so transferred shall be the date such securities are irrevocably transferred from the donor’s account. Instructions for this method of transfer may be obtained from the Advancement Office of CASA Kane County.

Gifts of securities may also be made by sending the certificates and an executed stock power for each separate issue of stock or bond to CASA Kane County’s Advancement Office. Donors should obtain a stock power from their banker or broker, sign their name exactly as it appears on the certificate(s), and have their signature guaranteed by the banker or broker. The stock power and a letter of instruction should be mailed to CASA Kane County Advancement Office under separate cover from the certificate(s). CASA Kane County should be designated as the transferee on the certificate(s), stock power or related instruments of transfer. The certificates should be sent registered mail, return receipt requested, to the Advancement Office. Unendorsed certificates are non-negotiable. The postmark date on the stock power will be used as the date when the certificate and stock power are mailed under separate cover. The value of the gift will be the mean average of the highest and lowest selling prices quoted for the security on the gift date.

If securities are hand-delivered to CASA Kane County, the value of the gift will be the average of the highest and lowest selling prices quoted for the security on the gift date. Donors must make proper endorsement(s) upon delivery to CASA Kane County in order to transfer ownership of the security to CASA. For securities that are hand-delivered, the gift date is the day the securities are delivered to CASA Kane County.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County as to accept or decline gifts of Publically Traded Securities.

NON-TRADITIONAL INVESTMENTS

CASA Kane County may accept gifts of non-traditional investments including, but not limited to, real estate, oil royalty rights, life insurance policies, collectables, etc., after a thorough review of the following factors:

- Marketability of the investment.
- Nature of applicable restrictions.
- Legal and other liabilities associated with the asset, including liabilities as a general partner or carrying cost such as administrative and legal fees.
- Exposure to unrelated business income tax liability.

A gift of non-traditional investments, as well as gifts of other property valued at \$5,000 or more for which market quotations are not readily available, will require a qualified appraisal, the cost of which must be borne by the donor. The qualified appraisal must be rendered by an independent appraiser certified, licensed or otherwise qualified to make an appraisal of the value of the particular gift. The appraisal of the value of the particular gift must be retained in the donor file. Prospective donors should be advised that CASA Kane County reserves the right to sell the investment.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County as to accept or decline gifts of Non-Traditional Investments.

REAL ESTATE

CASA Kane County may accept gifts of real estate, including houses, condominiums, commercial properties, farm land, rental properties and undeveloped land, after a thorough review of the following factors:

- Usefulness of the property for CASA Kane County purposes.
- Marketability of the property.
- Existence of restriction, reservations, easements and/or other limitations.
- Existence of encumbrances, such as mortgages and liens.
- Carrying costs, such as property owner's association dues, taxes, insurance and other maintenance costs.
- Fair market value in relation to the costs and limits listed above as determined by a qualified appraisal conducted in accordance with Internal Revenue Service standards. The costs associated with appraisal shall be borne by the donor.

Prior to acceptance of any parcel of real property, an assessment of the environmental risks will be conducted, including the following:

- An inquiry of the present owner regarding his/her knowledge of the history of the property.
- A title search.
- A consultation with federal, state and local environmental agencies to determine whether the property has any history of hazardous waste and contamination.
- Visual inspection of the property for an evidence of environmental hazards.

An environmental audit conducted by a professional service will also be required. The cost of the environmental audit and any other costs associated with the environmental assessment will be paid for by the donor. Prospective donors should be advised that CASA Kane County reserves the right to sell the real estate.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline gifts of Real Estate.

TANGIBLE PERSONAL PROPERTY

CASA Kane County may accept gifts of tangible personal property, including works of art, jewelry, antiques, coins, stamps and other collections, manuscripts and books. Such gifts may be accepted only after a thorough review indicates the property is readily marketable or may be used by CASA Kane County in a manner consistent with its charitable purposes. Prospective donors should be advised that CASA Kane County reserves the right to sell or otherwise dispose of the personal property.

If CASA Kane County intends to sell such a gift immediately rather than use it, the donor must be informed that the IRS rules will probably limit the amount of the charitable donation to the donor's cost basis. Whenever donors estimate their gifts of tangible personal property at \$5,000 or more, they must obtain a written appraisal by a qualified independent appraiser. CASA Kane County cannot appraise or assign valuation to gifts of tangible property. The Executive Director may accept such gifts valued at \$10,000 or less on behalf of CASA Kane County. Gifts of tangible personal property with an estimated value in excess of \$10,000 will only be accepted by action of the Executive Committee of the CASA Kane County Board of Directors. A gift of tangible property is considered to be made on the date when ownership or legal title is transferred.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County as to accept or decline gifts of Tangible Personal Property.

PLANNED GIVING

Planned gifts may either be deferred or outright. Such gifts may involve the transfer of substantial assets that affect the distribution of the donor's estate. These gifts do not immediately confer ownership on CASA Kane County. CASA Kane County will not serve as the trustee of any deferred gift that requires the appointment of a fiduciary.

The acceptable methods of creating deferred gifts to CASA Kane County are described below. It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline Planned Gifts.

Bequests in a Will

A bequest is a gift of any amount in any form made to CASA Kane County in a donor's Will. Bequests may provide for a dollar amount in cash, securities, articles of tangible personal property, real property or a percent of the residue of an individual's estate.

Bequests may be given as unrestricted or restricted gifts. Unrestricted bequests will be placed in the endowment in a manner and for such investments as determined by CASA Kane County.

Donors may also establish, by Will, an annuity trust or unitrust. The bequest can be arranged so as to provide continuing payments to one or more designated beneficiaries by directing that the bequest be used to establish a charitable remainder annuity trust or a charitable remainder unitrust. If such a gift is made by Will, the principal will pass to CASA Kane County at a future date upon termination of the trust.

Any and all costs associated with executing the bequest, such as legal fees, probate and court cost, and transfer costs and expenses shall be borne by the donor or the estate.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline gifts of bequest.

Charitable Gift Annuities

A donor creates a charitable gift annuity by transferring cash or property to CASA Kane County, and in exchange, receives a promise from CASA Kane County to pay the donor or other person a specific annuity. The value of the annuity is less than the value of the transferred property. The difference is treated as a gift to CASA Kane County.

Because charitable gift annuities confer a contractual obligation to CASA Kane County and involve administrative costs, the following guidelines apply:

- Gift annuity contracts may be entered into in exchange for cash or readily marketable securities. Because it may take a considerable time to liquidate assets, such assets will normally not be accepted in exchange for a gift annuity. Because of the expense involved in the administration of gift annuities, a minimum of \$20,000 is suggested to establish a gift annuity. The age limit for establishing a gift annuity should be age sixty (60) or older. Normally, CASA Kane County will use the most recently published suggested rates by the American Council on Gift Annuities. However, lower rates (but not higher rates) may be considered upon request by a prospective donor.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline gifts as Charitable Annuity Gifts.

Charitable Remainder Unitrust

The primary feature of a charitable remainder unitrust is that it provides for periodic payments to the donor, or other person specified by the donor, for life or a specified term of years, after which the trust assets pass to CASA Kane County.

During the lifetime of the donor, he or she creates a formal trust agreement under which assets such as cash or appreciated securities are irrevocably transferred to a trustee who then makes periodic payments to the donor, or a person specified by the donor, for life or a specified term of years, not to exceed twenty.

During the term of the trust, the trust assets are managed and invested by the trustee as a single fund. The donor cannot borrow or otherwise deal with the trust assets. The designated beneficiary receives payments based on a fixed percentage of the fair market value of the trust as valued annually. The donor determines the fixed percentage, which may not be less than five percent, upon creation of the unitrust. Donors may make subsequent additions to the unitrust during their lifetime or by bequest upon death.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline gifts of Charitable Remainder Unitrusts.

Charitable Remainder Annuity Trust

The annuity trust shares many common features with the unitrust, the principle difference being the manner used to calculate the payment to the current beneficiary. Whereas the unitrust provides a payout that varies with each annual valuation, the annuity trust provides for fixed payments based on the fair market value of the date the trust is established. Another difference is that additional contributions cannot be made to an annuity trust.

During his or her lifetime the donor irrevocably transfers assets to a trustee, who pays the donor, or a person specified by the donor, a fixed dollar amount annually for life or a specified term of years, not to exceed twenty. The trust can also provide payments to the donor's survivors for life. The remaining trust assets become the property of CASA Kane County upon termination of the trust.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline gifts of Charitable Remainder Annuity Trusts.

Charitable Lead Trust

The primary feature of a charitable lead trust is that it provides for the immediate support of CASA Kane County through payments from assets in a trust for a period of time, after which assets pass to a non-charitable beneficiary such as the donor, the donor's children, or other persons the donor specifies. Thus, a charitable lead trust is conceptually the opposite of a charitable remainder trust. In a lead trust, the donor gives CASA Kane County the current economic benefit of the transferred assets and retains, or gives to another non-charitable beneficiary, the right to possession and control of the assets at a future date.

During his or her lifetime, the donor creates an irrevocable trust to take effect during or following the donor's lifetime. Assets are transferred to a trustee with the stipulation that payments be made to CASA Kane County for the term of the trust, after which the principal of the trust passes back to the donor or to others of his or her choosing.

A lead trust may be advantageous for donors who have greater financial resources than they currently need and who desire to transfer assets to heirs in a tax-efficient manner.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline gifts of Charitable Lead Trusts.

GIFTS OF LIFE INSURANCE

Life insurance can be the medium for giving funds to CASA Kane County. With it, the donor can make a substantial gift for a modest outlay. For instance, a donor may irrevocably assign to CASA Kane County an existing life insurance policy that is no longer needed for family protection, making CASA Kane County both the owner and the beneficiary of the policy. If the donor does not choose to pay the insurance premiums, CASA Kane County may elect to:

- Continue paying the premiums and receive the full value of the policy upon the donor's death
- Convert the policy to paid-up insurance in a reduced amount with no further payments
- Surrender the policy for its present cash value.

It will be solely within the sound discretion of the Board of Directors of CASA Kane County to accept or decline gifts of Life Insurance.

MISCELLANEOUS PROVISIONS

Securing appraisals and legal fees for gifts: It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to CASA Kane County.

Valuation of gifts for development proposes: CASA Kane County will record a gift received for valuation for gift purposes on the date of gift.

Responsibility for IRS filings upon sale of gift items: CASA Kane County will be responsible for filing necessary IRS forms upon the sale or disposition of any assets sold when the deduction value of the item is more than \$5,000.00.

Acknowledgement of all gifts made to CASA Kane County and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of Directors of CASA Kane County.

CHANGES TO GIFT ACCEPTANCE POLICY

This policy has been reviewed and accepted by the Board of Directors of CASA Kane County.

Pursuant to § 8.07 of the Bylaws of CASA Kane County, Inc., as amended November 10, 2009 only the Board of Directors of CASA Kane County can approve changes to or deviations in this policy.

Approval is made by a majority of Directors pursuant to § 4.08 of the Bylaws of CASA Kane County, Inc., as amended November 10, 2009.

Approved and accepted on the 20th day of September , 2010 by the CASA Kane County Board of Directors.

Edwin Werneke, Board Chair

Gloria Bunce, Executive Director