

**Catholic Foundation of Northeast Kansas**



***GIFT ACCEPTANCE  
POLICIES AND PROCEDURES***

***REVISED***

***By the Board of Directors***

***May 23, 2013***

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## **CFNEK GIFT ACCEPTANCE POLICY INTRODUCTION**

The Catholic Foundation of Northeast Kansas sets forth these policies and procedures in order to provide guidelines for the acceptance of gifts. These policies are not intended to serve as a legal document. The exact situations of gift acceptance may vary depending on the needs of parishes, schools, cemeteries, and other entities.

### **1. Importance of Confidentiality**

1.1 The staff, board and volunteers of the Catholic Foundation of Northeast Kansas will respect the confidentiality of information related to all individual and corporate donor records. All information obtained from or about donors or prospective donors will be held in strictest confidence by all parties involved unless written authorization is received and on file. This may or may not include publishing names of donors in the annual report and other forms of recognition. We will recognize donors unless specifically instructed otherwise.

### **2. Code of Conduct**

2.1 The Catholic Foundation of Northeast Kansas will comply with all applicable federal, state and local laws in the conduct of its development activities. The guiding principle for donor contributions shall be the desire of the donor to support the work of the Catholic Church and the Archdiocese of Kansas City in Kansas. CFNEK staff and members of the Board of Directors shall act according to the highest standards and visions of the Catholic Church, the profession and their own conscience.

### **3. Retention of Outside Consultant Resources**

3.1 Any compensation made to non-employee development counsel who may be retained shall be on a "fee-for-service" basis. Compensation shall be reasonable and proportionate to services provided and may be paid on a commission-type schedule.

3.2 Payment of commissions, finder fees, or other compensation as a condition for the delivery of an individual gift and commission-based compensation for gift planners who are employed by a charitable organization are prohibited.

### **4. Solicitation And Acceptance Of Gifts**

#### **Use of Correct Legal Name**

4.1 All gifts, regardless of value, form or designated use, shall be made to the Catholic Foundation of Northeast Kansas, the proper legal name of the Foundation.

4.1.1 Questions about methods of giving, timing, assignment, or purpose of any gift shall be directed to the Executive Director.

4.1.2 Gifts that are made payable to a particular church, school or other organization of the Archdiocese of Kansas City in Kansas, or any of its not-for-profit affiliates (i.e., Catholic Charities or Catholic Charities Hospice) are acceptable and will be endorsed for deposit to their account(s).

## **5. Gifts, Grants and Planned Gift Instruments**

5.1 All gifts, grants and planned gift instruments should be received and reviewed by the Executive Director prior to acceptance of the gift by the Catholic Foundation of Northeast Kansas. The authority of the Executive Director is outlined in these policies.

## **6. Types of Gifts**

6.1 Gifts with no stipulation as to purpose or use shall be treated as unrestricted gifts for the benefit of the Catholic Foundation of Northeast Kansas (CFNEK). Gifts that are given for a specific purpose, program or project as designated by the donor shall be treated as restricted gifts. All gifts are subject to approval by the Catholic Foundation of Northeast Kansas.

6.1.1 If a gift is determined to be inappropriate or unacceptable as a restricted or designated gift, the Executive Director shall contact the donor to seek permission to use the gift for another purpose. If permission from the donor is denied, the gift shall be returned to the donor.

6.1.2 Checks made payable to a specific fund or entity shall be considered restricted for that purpose, as approved by the Catholic Foundation of Northeast Kansas unless otherwise specified by the donor.

6.2 A gift may be expendable if it is immediately usable for current purposes. An endowment gift to the Catholic Foundation of Northeast Kansas is to be invested and held permanently for the income derived from the gift.

6.3 The Catholic Foundation of Northeast Kansas may accept all gifts of money, either in the form of cash, check or electronic transfer.

6.4 Under certain circumstances, as outlined in these policies, the Catholic Foundation of Northeast Kansas will also accept non-monetary gifts, such as the following:

6.4.1 Marketable property: Securities, real property and saleable personal property.

6.4.2 Gifts-in-Kind: Gifts to be used in the form in which they are given, such as art objects, books, equipment, etc.

6.4.3 Rights and Insurance: Royalties, copyrights, trademark rights and insurance policies naming the Catholic Foundation of Northeast Kansas (CFNEK) as a beneficiary.

6.5 CFNEK may negotiate gifts in trust, in which a professional, corporate trustee may hold and manage principal resources given by the donor in exchange for the income (dividends, interest and rent) for life of the donor, after which this income and the principal will be distributed to and used by CFNEK according to the wishes of the donor.

6.5.1 CFNEK may obtain a legal opinion in connection with the effectiveness of any charitable remainder trust or other similar complex estate planning mechanism.

## **7. Special Handling for Select Gifts**

### **7.1 Memorial Gifts**

7.1.1 Individuals and organizations may make gifts "in memory of" or "in honor of" a person or persons by name. These gifts may be used as unrestricted gifts or as restricted gifts, if approved, as provided in these policies.

### **7.2 Temporary Funds**

7.2.1 CFNEK does not accept gifts that must be returned to the donor and/or other individuals at a given time, as specified by the donor.

### **7.3 Legacies and Bequests**

7.3.1 The donor should be provided with the correct legal name and mailing address of the organization, which is as follows:

Catholic Foundation of Northeast Kansas  
12615 Parallel Parkway  
Kansas City, Kansas 66109

7.3.2 The Internal Revenue Service has issued annually a determination letter holding that whereas the Catholic Foundation of Northeast Kansas appears in the Official Catholic Directory as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, the Foundation is entitled to exemption from federal income tax under the provisions of section 101(6) and 509(a). Any private foundation which makes a gift to the Catholic Foundation of Northeast Kansas will require a copy of the determination letter for its records.

7.3.3 A donor may arrange a gift under legal contract expressed in his/her will and/or trust agreement, that the Catholic Foundation of Northeast Kansas is a designated beneficiary to receive a direct gift from the estate of the donor. A donor may also arrange or appoint, after the death of a named beneficiary that the principal or

some of the surviving estate will become the property of the Catholic Foundation of Northeast Kansas.

7.3.4 A bequest in a will or trust may provide that the Catholic Foundation of Northeast Kansas will receive either:

8.3.4.1. A specific sum of money or specific property.

8.3.4.2. A percentage of the residue of the estate, or

8.3.4.3. A contingency interest dependent on a primary beneficiary failing to survive the donor.

7.3.5 Under appropriate circumstances, the CFNEK may elect not to accept a deferred gift made by will or trust. The Executive Director will promptly notify the personal representative or appropriate family member about this decision before a distribution of the gift may be made by the estate. The Catholic Foundation of Northeast Kansas has a legal right to disclaim any such gift property.

## **8. Handling of Non-Cash Gifts**

8.1 It is the general policy to convert non-cash gifts to cash as soon as possible. If the gift is real estate, as accepted by CFNEK, any sale of the gift is subject to approval by the CFNEK. The sale price of such real estate shall be considered in relation to a qualified and independent appraisal prepared for and selected by the donor. In the case of a non-cash gift resulting from a bequest, the Catholic Foundation of Northeast Kansas may request the personal representative of the estate to sell the property and to remit the proceeds to CFNEK. Exceptions may be made depending upon the nature of the gift and the best interest of the intended beneficiary.

8.2 Gifts-in-kind, including art objects, books, equipment, etc. may be retained and not converted to cash as appropriate.

## **9. Gifts of Real Property**

9.1 Acceptance of a gift of real property must be approved by CFNEK, which also reserves the right to refuse any gift of real property for any reason.

9.2 The cost to transfer real property to CFNEK shall be paid totally by the donor. If the donor is unwilling or unable to pay these costs, then such costs may be paid by CFNEK or any of its not-for-profit affiliates, if it is approved by the CFNEK Board of Directors.

9.3 A donor may not place any restrictions on the future use of the property as a condition of making the gift. Exceptions to this policy may be made upon the approval of the Board of Directors.

9.4 The Catholic Foundation of Northeast Kansas may allow a donor to retain a life estate in the property subject to the following:

9.4.1 Life estates will be limited to two or fewer beneficiaries.

9.4.2 For gifts of a residence (or farm) with a retained life estate, the donor and/or current beneficiary will be responsible for maintaining the property during his/her lifetime, including payment of real estate taxes, assessments, maintenance, insurance premiums, etc.

9.5 Before a gift of real property may be accepted, the property must be appraised by a recognized, qualified, independent appraisal firm or by the appraisal department of a major bank or savings and loan association in order to establish a fair market value. This requirement may be waived by CFNEK under special circumstances.

9.5.1 The appraisal shall provide for two purposes: Provide CFNEK with a reasonable value at which to carry the asset. Establish an "asking price" for the property, if it is to be immediately sold and when it may be marketed for sale.

9.5.2 The donor will be responsible for the full cost of any appraisal performed that may be necessary for the acceptance of the gift.

9.5.3 If the property is small in size and/or doesn't warrant the expense of an appraisal, the county assessor's evaluation will be used as a fair market value for purposes of the gift.

9.6 Generally, properties with current mortgages will not be accepted. The Catholic Foundation of Northeast Kansas may authorize acceptance of an encumbered property under certain circumstances.

9.7 Gifts of commercial properties and businesses will be evaluated not only on the basis of property tax and mortgage liabilities, but also taking the following into consideration:

9.7.1 CFNEK may have to pay income tax on unrelated business income.

9.7.2 CFNEK as a not-for-profit corporation receives no tax benefit from depreciation.

9.7.3 CFNEK may hire a qualified independent examiner to determine if the property may contain potential environmental contamination. The cost of any environmental impact study and/or Phase I analysis shall be the responsibility of the donor. No commercial property or other real property which may contain environmental contamination may be accepted without substantial evidence from such studies that environmental liability is negligible or non-existent.

## **10. Gifts of Personal Property**

10.1 Gifts of personal property, including works of art, furniture, equipment, and other selected items will be accepted only if the items have value to CFNEK or the intended beneficiary. The gift must also comply with all applicable state and federal laws.

10.1.1 If the item of personal property is not useable or useful, but it is saleable, CFNEK may sell the property and the proceeds shall be distributed to the CFNEK. It is preferred that the donor sell the property directly and make a gift of the cash proceeds to the CFNEK.

10.2 CFNEK will follow any Internal Revenue Service regulations concerning gifts of tangible personal property.

10.3 CFNEK shall also consider the expected costs of storage, selling, maintenance, transportation and other items before accepting a gift of personal property.

10.4 The Internal Revenue Service requires that any valuation of a gift of personal property is the responsibility of the donor. The requirements of the Internal Revenue Code pertaining to the tax deductibility of gifts of tangible personal property are complex. Donors shall be encouraged to seek consultation from their own tax advisors. Form 8282 must be filed if CFNEK sells or otherwise disposes of any donated property (other than money and publicly traded securities) if the claimed value exceeds \$5,000 and is sold within three years after the date received by CFNEK.

## **11. Gifts of Securities**

11.1 Gifts of readily marketable securities will be accepted by CFNEK, and may be sold as soon as possible upon receipt through CFNEK's broker on the open market or held for future sale or exchange, as appropriate. If a security does not adhere or conform to socially responsible guidelines for investments upheld by the investment policy of the CFNEK, the gift may be refused.

11.2 Gifts of securities that are not readily marketable are generally not accepted by CFNEK. However, if the securities are closely held and/or privately held securities, they may be accepted upon approval by CFNEK. An independent valuation of the securities should be prepared by a qualified appraiser at the time of acceptance. The cost of such valuation shall be the responsibility of the donor.

11.3 CFNEK shall not accept any security which is assessable or which could create a liability.

11.4 CFNEK shall not accept securities that may not be assigned, such as United States Series E Savings Bonds, or which upon analysis, have no apparent market value.

11.5 When gifts of securities are made, the Catholic Foundation of Northeast Kansas should be advised of the donor's wishes with respect to use of the proceeds from the sale of such securities. Written instructions should accompany the gift of securities to clearly indicate the wishes of the donor. If no instructions are provided by the donor, CFNEK shall treat such gift as "unrestricted."

11.6 Gifts of bonds which require a "holding period" may be accepted by the CFNEK and cashed upon the expiration of the holding period.

## **12. Gifts of Charitable Remainder or Lead Trusts**

12.1 A donor may establish a charitable remainder or charitable lead trust with a professional/corporate trustee, to provide an income or remainder benefit to the Catholic Foundation of Northeast Kansas. At this time, CFNEK may not serve as trustee or co-trustee of such a trust.

12.2 CFNEK may elect to change this and/or other policies related to serving as trustee of such a trust, if it is in the best interests of CFNEK.

12.3 Charitable Remainder Trusts shall conform to other Internal Revenue Service guidelines regarding the development of such a trust.

12.4 The current income interests as outlined in the trust shall be limited to one or two beneficiaries only.

12.5 All management fees or other expenses incurred by the trust shall be the responsibility of the donor and/or shall be paid from the principal of the trust.

12.6 Cash and approved securities that are readily marketable may be used by the donor to fund the trust. Upon written approval of the CFNEK, other types of property may be used to fund the trust.

12.7 The CFNEK may, at its discretion, obtain a legal opinion in connection with the effectiveness of any charitable remainder trusts and similar complex estate planning mechanisms.

12.8 CFNEK may accept annual payments from a Charitable lead Trust with the approval of the CFNEK. A CLT is set up by a donor. The CLT pays CFNEK an annual amount as specified in the Trust. When the CLT terminates, the remaining principal is expended per the trust.

12.9 The Catholic Foundation of Northeast Kansas may negotiate gifts in trust, in which a professional, corporate trustee agrees to hold and manage principal resources given by the donor in exchange for the income (dividends, interest and rent) for life, after which this income and the principal of the trust will be distributed to and used by CFNEK according to the wishes of the donor.

### **13. Gift Acknowledgement**

13.1 All gifts, regardless of value, form, or designated use, shall be acknowledged by official correspondence or receipt from the CFNEK. These documents shall represent to the donor the Catholic Foundation of Northeast Kansas' official acceptance of a gift and its terms and conditions as well as certification of the donor's charitable act for tax purposes.

13.2 Outright gifts of cash (or checks) are ordinarily made directly to CFNEK, although gifts may be accepted on behalf of an affiliated organization, such as a parish by the staff member or volunteer working with the donor. It is preferred that these donations be referred to CFNEK for acceptance and/or acknowledgment. These gifts shall be immediately delivered to the Catholic Foundation of Northeast Kansas. Notification is suggested about all potential "in-kind" gifts made to any of its not-for-profit affiliates for capital construction.

13.3 It is recommended that other department personnel of CFNEK affiliates also provide thank you letters for gifts received by their department and/or staff member for any use. Copies of appropriate gift acknowledgments and other correspondence should be provided to the CFNEK.

13.4 Gifts shall be acknowledged as promptly as possible. The CFNEK staff shall make it a practice to send an official acknowledgment of the gift, along with any appropriate receipts or other information, within three days after the gift has been received.

### **14. Gift Receipts**

14.1 A receipt or letter of acknowledgment which is provided to a donor shall include the following information:

14.1.1 Name and address of the donor.

14.1.2 Date that the gift is received (the date of the letter will be sufficient if not near a year-end).

14.1.3 Total amount of the gift if made by cash or check. Non-cash gifts shall be identified and if possible, fully described in the receipt and /or acknowledgment letter.

14.1.4 Name of the Catholic Foundation of Northeast Kansas as the recipient of the gift. If the gift is restricted for the benefit of a specific purpose or project, that information should be noted as well.

14.1.5 A confirmation that "no goods or services were provided to the donor in exchange for the donor's contribution."

14.2 A written receipt or acknowledgment, as described above, is required to be provided to a donor for any gift.

14.3 For gifts in the amount of \$75.00 or greater, for which the donor receives a benefit, such as an item or service, in return for their gift, the donor must be provided a written statement that includes the following information:

14.3.1 A "good faith" estimate of the goods or services provided to the donor.

14.3.2 A statement that the gift deduction is limited to the excess of any cash or non-cash gift over the value of the goods or services provided.

14.4 Token, negligible or inconsequential benefits provided to any donor may be disregarded.

## **15. Donor Recognition**

15.1 Included among those to be recognized for their gift(s) will be donors of cash, gifts-in-kind, readily marketable securities, real property and gifts of future interests, including irrevocable gifts in trust, life estates, life endowments, and gift annuities.

15.1.1 Gifts of life insurance will be recognized at its cash value until the maturity of the policy (i.e. death of insured).

15.1.2 Gifts of tangible personal property or securities that are not readily marketable will be recognized at the amount netted from the sale of the property. If the CFNEK elects not to sell the property for any reason, the gift will be acknowledged at the value provided by an independent appraisal, as required by these policies.

15.1.3 Deferred or planned gifts established through a trust, will or other estate planning document by the donor will be recognized as a "future interest" gift. This type of gift shall be recognized at the present value of the gift of a future interest.

15.1.4 If a deferred or planned gift is revocable, the gift may or may not be included for recognition as appropriate.

15.2 To become a member of the CFNEK Catholic Legacy Society a person must notify CFNEK in writing that they have designated the Archdiocese of Kansas City in Kansas, a Catholic parish, school, and/or organization as the beneficiary of a planned gift. Notification is nonbinding and revocable. A planned gift is any contract, will, trust, or beneficiary designation that would result in a Catholic entity within the geographic boundaries of the Archdiocese of Kansas City in Kansas receiving a monetary or tangible benefit from a person's estate.

15.2.1 The "naming" of facilities and other designated areas will be done only under special circumstances and upon approval by the board of directors.

15.2.2 A donor's name may not be attached or assigned to a particular facility, piece of equipment, or other area until the gift commitment has actually been realized and/or fully received. Exceptions to this policy may be made upon approval.

15.2.3 The use of plaques, signage and other recognition tools should be made in a professional and consistent manner.

15.2.4 Donors will be recognized in published lists as appropriate unless specifically instructed otherwise.

## **16. Gift Valuation**

All applicable federal and state guidelines must be followed to ensure the tax-deductibility of donor gifts.

16.1 The Catholic Foundation of Northeast Kansas shall not provide any appraisal, valuation or estimate of value for non-cash gifts made by donors, except as outlined in these policies.

16.1.1 Internal Revenue Service guidelines require the donor to determine the value of any non-cash gift given to a charitable organization.

16.1.2 No employee or representative of the CFNEK shall confirm to a donor the value of a gift other than the following:

Gifts of cash.

Gifts of personal checks, cashiers checks, money orders, etc.

Gifts of publicly traded securities.

16.2 A valuation of publicly traded securities may be provided by CFNEK as follows:

16.2.1 The fair market value of a gift of stock is equal to the average of the published high and low bid on the date of the gift. The date of the gift shall be the date the stock is transferred into CFNEK's account(s) or otherwise received by CFNEK personnel.

16.2.2 To determine the "high" and "low" bids on the date of the gift of stock, CFNEK may rely on published data from The Wall Street Journal or other reputable source. The average of the high and low bids may be used in the donor's receipt regardless of fluctuations in the value of the stock at the time of its sale or exchange.

16.3 The donor will be requested to pay the costs of any required qualified appraisal needed for acceptance of the gift by CFNEK. Such appraiser will be selected solely by the donor.

16.3.1 If a donor is unwilling or unable to pay for the costs of any required appraisal of real or other personal property, the CFNEK may elect to obtain and pay for by using available funds, an independent letter of appraisal by a qualified appraiser. Such appraiser will be selected solely by the donor.

#### 16.4 Valuation of Gifts-in-Kind:

16.4.1 CFNEK may not establish monetary value for gifts-in-kind according to the Internal Revenue Service. If a value is needed for income tax purposes, it is the responsibility of the donor to obtain a qualified and independent appraisal which certifies in writing the commercial value of the object(s) or item(s) donated.

16.4.2 All gifts-in-kind are regularly recorded in the same manner as other contributions of cash, except that no dollar value shall be recorded.

### 17. Gift Processing Procedures

#### Checks and Cash

17.1 Gifts in the form of checks or cash, received by the Catholic Foundation of Northeast Kansas, shall be sent to accounting on the day they are received. The CFNEK should be notified and provided detailed information about the gift, especially if the use of the gift, as specified by the donor(s), is unclear.

17.2 Gifts in the form of personal or business checks should be made payable to CFNEK, whenever possible. However, exceptions will occur and should be administered as follows:

17.3 The CFNEK may accept checks that are made payable to Catholic Foundation of Northeast Kansas. Checks made payable to the Archdiocese of Kansas City in Kansas may be accepted.

17.4 If there is a significant level of doubt by the CFNEK as to the intent of the donor to make a gift, the donor will be contacted and the check may be returned for a "replacement" check as necessary.

17.5 Checks that are made payable to an individual or unrelated business or organization shall be returned to the donor with a request for a replacement check or a proper endorsement.

### 18. Securities

18.1 The transfer of securities certificates as gifts to the CFNEK is especially sensitive and may only be accomplished as follows:

18.1.1 Certificates belonging to the donor will be sent only by certified or registered mail, or by hand. A stock power form, signed by the donor and naming the

Catholic Foundation of Northeast Kansas, as transferee, will be sent in a separate envelope by certified or registered mail.

18.1.2 Securities and stock powers shall be mailed or hand-delivered to the following location: 12615 Parallel Parkway, Kansas City, Kansas 66109

18.2 The donor may instruct his/her broker to transfer securities to the Catholic Foundation of Northeast Kansas as a gift(s).

18.2.1 The donor should instruct his/her broker to immediately notify the CFNEK of the gift by telephone, and to request instructions for the correct handling of these securities. Any certificates for these securities should not be issued in the name of the Catholic Foundation of Northeast Kansas. Only signed stock powers are required by CFNEK to affect title transfer. The date of the transfer, the name of the donor, the constituent identification number, the address of the donor, the phone number of the donor, the name of the security, the number of shares, the expected date of transfer, the designated campaign or institution and the person taking the information should be provided in writing to the CFO, accounting office and CFNEK.

18.3 Instructions regarding use of gifts of securities:

18.3.1 When gifts of securities are made, CFNEK also must be advised of the donor's wishes, both as to disposition of this property and the purpose for income derived to CFNEK from ownership. Instructions should accompany the gift to clearly indicate the intention of the donor.

18.3.2 If no instructions are received, CFNEK has the authority to sell these securities, if it so chooses, and to use the funds (or income, if retained) for any areas of need.

18.3.3 Particular care with the envelope transmitting any gift of securities is required since the postmark on the envelope determines the date for computing the value of the gift for the donor's charitable deduction.

18.4 Stock certificates that are received by any employee shall be handled promptly and delivered to the CFNEK, with care given to the entire package, including the envelope.

## **19. Gifts-in-Kind**

19.1 Donative Sales of Gifts-in-Kind: Any offer by a donor to provide a donative sale of art objects, books, equipment, etc., for use by the Archdiocese or any of its not-for-profit affiliates, shall be referred promptly to the CFNEK which may seek legal counsel on the transaction.

19.1.1 Approval is required before a donative sale item may be accepted by CFNEK.

19.2 Arrangements shall be made during preliminary discussions or correspondence about the delivery of gifts-in-kind directly to the CFNEK or any affiliated entity.

19.2.1 Arrangements shall include agreement with the donor regarding the costs of packing, freight charges, etc., which are normally the responsibility of the donor.

## **20. Year-End Gifts**

20.1 Contributions will be considered "received" in a specified tax year if at least one of the following items is true:

20.1.1 The gift is received no later than December 31.

20.1.2 The gift, if sent by mail, is postmarked by December 31.

20.1.3 The gift is delivered or transferred to the Catholic Foundation of Northeast Kansas account no later than December 31.

## **21. Brokers, Banks and Other Financial Institutions**

21.1 During December, brokers, banks and other financial institutions should be advised to telephone the name of the donor, name of the security, amount of the gift(s), date of the transfer and other instructions to the Office of Stewardship and Development before December 31.

21.2 It is important the accompanying postmarked envelope be kept for each gift received during December and January.

21.3 If cash or securities are personally delivered by the donor, a notation should be made on the document(s) by the employee or person accepting the gift which reads: "hand delivered on December \_\_\_\_, 20 \_\_\_\_." This notation would then be signed by the receiving person, and forwarded with the gift to CFNEK.

## **22. Planned Gift Administration**

It is in the best interests of the Catholic Foundation of Northeast Kansas to encourage deferred giving. These gifts may also provide significant benefits to the donor and his/her family.

22.1 A deferred gift is a gift designed to benefit the CFNEK or affiliates at some future point in time. Depending on the type of gift plan selected, it may be revocable or irrevocable and may be selected by the donor in consideration of his/her other estate and financial planning.

22.2 Deferred gifts, as approved by CFNEK, may include one of the following planned giving vehicles:

22.2.1 Bequests or legacies under wills and/or trusts.

22.2.2 Retained life estates.

22.2.3 Life insurance.

22.2.4 Charitable remainder annuity trusts

22.2.5 Charitable remainder unitrusts

22.2.6 Charitable lead trusts

22.3 Any expenses created or caused by the acceptance of a planned gift are to be payable from the gift and its proceeds and not from the general funds of the Catholic Foundation of Northeast Kansas.

### **23. Review of Legal Documents and Agreements**

23.1 The Catholic Foundation of Northeast Kansas reserves the right to refuse to accept any gift, including outright gifts, planned gifts, or otherwise.

23.2 CFNEK shall review all planned giving agreements and other legal documents, while also obtaining a legal opinion in connection with the effectiveness of all charitable remainder trusts and similar complex estate planning mechanisms.

23.3 Donors shall also be advised to seek their own professional counsel, including tax and legal advisors, for preparation and review of any planned giving instruments.

23.4 No gift may be accepted if its benefit to the CFNEK is so remote as to be negligible, according to Internal Revenue Service guidelines.

### **24. Retained Life Estates**

24.1 In order to qualify as a gift under the Internal Revenue Code, the gift must be an irrevocable gift of a remainder interest in a personal residence or farm.

24.2 The donor's retained life interest may be for the lifetime of one or two beneficiaries (i.e. husband and wife). In general, the younger of the beneficiaries should be at least 50 years of age. The donor shall remain liable and responsible for the taxes, insurance, maintenance and other expenses of the property during the donor's lifetime.

24.3 Any life estate may be with either an entire fee interest or an undivided interest in a fee interest. Such proposed gifts should be reviewed under the above policies for Gifts of Real Property. Gifts under a minimum of \$10,000 in value shall be discouraged.

## **25. Gifts of Life Insurance**

25.1 A donor may own or purchase a life insurance policy in which the CFNEK or an affiliate is named as a beneficiary.

25.2 A donor may assign a policy to the Catholic Foundation of Northeast Kansas as owner. Premiums may continue to be paid by the donor, by CFNEK, or the insurance contract may be converted to a paid-up policy. CFNEK shall reserve the right to discontinue payment of premiums at any time.

25.2.1 Donors shall be strongly encouraged to make appropriate annual or one-time charitable gifts to CFNEK for the purpose of purchasing an insurance policy on the donor's life or the life of an eligible surrogate, thus creating a major gift with a moderate affordable contribution.

25.2.2 Prior to acceptance, all gifts of life insurance, in which the CFNEK, or affiliate, is to be named owner and beneficiary of the policy, and in which the donor is making an annual gift(s) to CFNEK representing the annual premium of said policy, may be subject to an analysis.