

Northshore Schools Foundation Gift Acceptance Policy

The Northshore Schools Foundation funds open and inclusive programs that align with the School District's priorities. We do not discriminate against donors or sponsors.

CASH

1. All gifts by check regardless of amount.
2. Gifts by check made payable to Northshore Schools Foundation for unrestricted purposes or be designated to a particular program or project at Northshore School District and approved by Northshore Schools Foundation. In no event shall a check be made payable to an individual who represents Northshore Schools Foundation.

PLEDGES

Pledges may be payable in single or multiple installments not to exceed 5 years in duration (unless written approval is given by the NSF Executive Committee). Donors must complete a pledge form or confirm the pledge in writing.

PUBLICLY TRADED SECURITIES

Readily marketable securities, such as those traded on a stock exchange, are accepted by Northshore Schools Foundation.

Gift securities are likely to be sold immediately by the Northshore Schools Foundation.

The value of the securities is calculated as the average of the high and low on the date of the gift per IRS rules.

CLOSELY HELD SECURITIES

Non-publicly traded securities may be accepted after written approval by the NSF Executive Committee.

Prior to acceptance, Northshore Schools Foundation shall explore methods of liquidation for the securities through redemption or sale. A representative of Northshore Schools Foundation shall try to contact the

closely held corporation to determine: an estimate of fair market value and any restrictions on transfer.

No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

The donor is responsible for obtaining an appraisal of the security. The cost of the appraisal, conducted by a qualified appraiser, is borne by the donor.

REAL ESTATE

Gifts of real estate must be reviewed by the NSF Executive Committee of Northshore Schools Foundation before acceptance.

The donor is responsible for obtaining an appraisal of the property. The cost of the appraisal, completed by a qualified appraiser, is borne by the donor.

Prior to presentation to the Executive Committee, a member of the staff or designated representative must conduct a visual inspection of the property. If the property is located in a geographically isolated area, a local real estate broker can substitute for a member of the staff in conducting the visual inspection.

Prior to presentation to the NSF Executive Committee, the donor must provide the following documents:

Real estate deed

Real estate tax bill

Plot plan

Environmental Report

Substantiation of zoning status.

The Foundation and the donor shall negotiate the responsible party to pay for following up to the transfer of the gift.

Maintenance costs

Real estate taxes

Insurance

Real estate broker's commission and other costs of sale

The value of the gift is the appraised value of the real estate. (Note: The Foundation can choose to exclude from the value of the gift costs for

maintenance, insurance, real estate taxes, broker's commission and other expenses of sale.)

Any mortgage encumbrances on the proposed real estate must be at least five years old.

For all gifts of real estate, a Level One Assessment is required at the cost of the donor.

LIFE INSURANCE

Gifts of life insurance policies will be accepted only when it is named as the owner and/or one of the beneficiaries of the policy.

If the policy is a paid-up, the value of the gift for Northshore Schools Foundation's gift crediting and accounting purposes is the policy's cash surrender value.

If the policy is partially paid, the value of the gift for Northshore Schools Foundation's gift crediting and accounting purposes is the policy's cash surrender value. (Note: For IRS purposes, the donor's charitable income tax deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)

The Northshore Schools Foundation shall not be responsible for any insurance premiums unpaid or yet to be paid nor any loans on the gifted policy nor unpaid interest therein.

RETIREMENT PLANS

Gifts of outright cash and marketable securities are encouraged and are acceptable through donor retirement programs. Closely held stock and or personal property held in retirement accounts must adhere to the policies for those types of assets.

TANGIBLE PERSONAL PROPERTY

For gifts of tangible personal property, Northshore Schools Foundation should have a use related to Northshore Schools Foundation's exempt purpose although it is not a requirement.

Gifts of jewelry, artwork, collections, equipment, and software shall be accepted after written approval by the NSF Executive Committee.

Such gifts of tangible personal property defined above shall be used by or sold for the benefit of Northshore Schools Foundation.

No property which requires special display facilities or security measures shall be accepted by Northshore Schools Foundation without the prior written approval of the NSF Executive Committee.

Depending upon the anticipated value of the gift, Northshore Schools Foundation shall have a qualified outside appraiser value the gift before accepting it. The cost of an appraisal, conducted by a qualified appraiser, shall be borne by the donor for gifts of \$5,000 or more.

Northshore Schools Foundation adheres to all IRS requirements related to disposing gifts of tangible personal property and filing appropriate forms.

PLANNED GIFTS

The Northshore Schools Foundation offers the following planned gift options:

- Charitable gift annuities
- Deferred gift annuities
- Charitable remainder trusts
- Charitable lead trusts
- Bequests
- Retained life estates

In all planned giving arrangements, the interests of the donor shall come before those of the organization. No agreement, investment or management decision shall be made that would knowingly jeopardize the donor's interests or expressed wishes. The Foundation is committed to helping the donor fulfill their charitable intention and help the Foundation build financial stability. However, all such gifts shall be consistent with the Foundation's mission and other gift related policies and must receive approval from the NSF Executive Committee prior to their acceptance.

Donors are responsible for consulting their financial and legal counsel to develop the gifting arrangement and strategy for a charitable gift to the

Foundation that serves them best. With the initiation of any gift notice, a letter will be sent to the donor clearly outlining this responsibility. In all cases, the laws passed by Congress and regulations enacted by the IRS shall prevail in respect to all charitable trusts and other planned giving arrangements.

CHARITABLE GIFT ANNUITIES

Administrative fees shall be paid from and not exceed the income earned on the charitable gift annuity.

There shall be no more than two beneficiaries on a charitable gift annuity.

The minimum gift accepted to establish a charitable gift annuity is \$10,000. The charitable gift portion of the gift annuity must exceed 10% of the amount contributed for the annuity (computation based on IRS tables).

No income beneficiary for a charitable gift annuity shall be younger than 60 years old, and not younger than 40 years old for a deferred gift annuity.

Northshore Schools Foundation follows the suggested rates based on age by the Committee on Gift Annuities and the prevailing rates established by large nonprofit organizations, unless that rate would result in the gift portion of the annuity being valued under 10% of the amount transferred for the annuity.

No generation skipping transfers will be accepted.

CHARITABLE REMAINDER TRUSTS

Due to the cost of drafting and administration, the minimum to establish a charitable remainder trust is \$100,000.

Management fees for the administration of a charitable remainder trust shall be paid from and not exceed the income of the trust

Investment of a charitable remainder trust shall be determined by the fiduciary hired to manage the trust. No representation shall be made by a Northshore Schools Foundation employee or person acting on behalf of Northshore Schools Foundation as to the management or investment of

such charitable remainder trust.

The payout rate of a charitable remainder trust shall be determined in consultation with the donor and Northshore Schools Foundation investment advisor. By law, the payout rate cannot be lower than 5%. The payout rate shall be negotiated between the donor and Northshore Schools Foundation and shall reflect the number of beneficiaries, their ages, and the size of the trust.

CHARITABLE LEAD TRUSTS

There is no minimum gift amount for a donor to establish a charitable lead trust. The costs incurred for set up will be borne by the donor. The Northshore Schools Foundation will not pay for management fees. Investment of a charitable lead trust shall be determined by the fiduciary hired to manage the trust. No representation shall be made by a Northshore Schools Foundation employee or person acting on behalf of Northshore Schools Foundation as to the management or investment of such trust.

BEQUESTS

Assets transferred through bequests that have immediate value to Northshore Schools Foundation or can be liquidated shall be encouraged by the fundraising consultant or staff. Gifts that appear to require more cost than benefit shall be discouraged or rejected.

Donors who have indicated that they have made a bequest to Northshore Schools Foundation may, depending upon the individual situation, be asked to disclose in writing or by copy of the will, the relevant clause that benefits Northshore Schools Foundation as evidence of their gift. This information is used for internal financial purposes and is not binding on the donor.

ENDOWED FUNDS

To establish named endowment funds, the minimum funding level is \$10,000.

In establishing an endowment, the endowed fund pays 5% of income earned each year to the program or project designated by the donor. Any

income generated by the fund above 5% shall be reinvested to accommodate inflation or be allocated to fees defined above.

For an outright gift, the fair market value of the asset used must meet the minimum endowed level.

For a planned gift, the fair market value of the gift must meet the minimum endowed level. (Note: The Foundation may choose an alternate method of valuation such as present value.)

Donors shall receive an annual report detailing the investment performance and use of the fund.

ADMINISTRATIVE ISSUES

Northshore Schools Foundation shall not act as an executor (personal representative) for a donor's estate.

Northshore Schools Foundation shall not act as co-trustee on any charitable remainder trusts.

Northshore Schools Foundation will not pay for the drafting of legal documents. The donor's own counsel must review the documents at the donor's cost.