

CONGREGATION B'NAI ISRAEL
GIFT ACCEPTANCE POLICIES AND GUIDELINES

Congregation B'nai Israel (CBI), a member of the Union for Reform Judaism, is a nonprofit organization organized under the laws of the State of Louisiana. CBI encourages the solicitation and acceptance of gifts for purposes that will help CBI to further and fulfill its mission. The mission of CBI is to reflect the principles of the Reform Jewish movement.

The following policies and guidelines govern acceptance of gifts made to CBI or for the benefit of any of its programs.

I. Purpose of Policies and Guidelines

The Board of Trustees of CBI, its volunteers and staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of CBI. It is the purpose of these policies and guidelines to govern the proposed acceptance of gifts by CBI and to provide guidance to prospective donors and their advisors when making gifts to CBI. The provisions of these policies shall apply to all gifts received by CBI for any of its programs or services. Gifts will be accepted only if they do not interfere with CBI's mission, purpose and procedures. Key principles include safeguarding the confidentiality of the donor relationship, providing full disclosure to the donor, and ensuring that gifts are recorded, allocated and used according to the donor intent and designation.

II. Use of Legal Counsel

CBI shall seek the advice of legal counsel in matters relating to proposed acceptance of gifts where appropriate. Review by counsel is recommended for:

- A. Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- B. Documents naming CBI as Trustee;
- C. Gifts involving contracts, such as bargain sales or other documents requiring CBI to assume an obligation;
- D. Gifts of real estate;
- E. Transactions with potential conflict of interest that may invoke IRS sanctions;
- F. Other instances in which use of counsel is deemed appropriate by the Board of Trustees of CBI.

III. Conflict of Interest

All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. CBI and its employees and agents are prohibited from advising donors about the consequences of their donations. CBI will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

IV. Restrictions on Gifts

CBI will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission and purposes. CBI will not accept gifts that are too restrictive in purpose. CBI will not accept gifts that are too difficult to administer or gifts that are for purposes outside the mission of CBI. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Trustees of CBI.

V. The Board of Trustees of CBI

The Board of Trustees of CBI is charged with the responsibility of reviewing gift acceptance issues where appropriate.

VI. Types of Gifts

A. Assuming no unusual restrictions, the following gifts are acceptable:

1. Cash
2. Tangible personal property
3. Securities
4. Real estate
5. Remainder interests or naked ownership interests in property
6. Oil, gas, and mineral interests
7. Bargain sales
8. Life insurance
9. Charitable gift annuities
10. Charitable remainder trusts
11. Charitable lead trusts
12. Retirement plan beneficiary designations
13. Bequests

B. The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash is acceptable in any form. Checks shall be made payable to "Congregation B'nai Israel".

2. **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the mission of CBI?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of tangible property gifts that do not meet the above criteria shall be made by the Board of CBI.

3. **Securities:** CBI may accept both publicly traded securities and closely held securities.

Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Board of Trustees or the donor. In some cases, marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Board of CBI.

Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships (partnerships in commendam) and LLCs or other ownership forms, may be accepted subject to the approval of the Board of Trustees of CBI. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent CBI from ultimately converting those assets to cash;
- the security is marketable; and
- the security will not generate any undesirable tax consequences for CBI

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 Trustees of CBI and, if necessary, CBI's legal counsel.

4. **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, CBI shall require an initial environmental review of the property to insure that the property has no environmental damage or potential liability. In the event that the initial inspection reveals a potential problem, CBI shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

Where appropriate, a title insurance binder shall be obtained by CBI prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Board of Trustees of CBI and by CBI's legal counsel. Criteria for acceptance of the property should include the following:

- Is the property useful for the purposes of CBI?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5. **Remainder Interests In Property:** CBI may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of Paragraph 4. above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, CBI may use the property or reduce it to cash. Where CBI receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

6. **Oil, Gas, and Mineral Interests:** CBI may accept oil and gas property interests, where appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Board of Trustees of CBI, and if necessary, by CBI's legal counsel. Criteria for acceptance of the property shall include:

- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- The property should undergo an environmental review to ensure that CBI has no current or potential exposure to environmental liability.
- Refer to questions above in section 4, Real Estate.

7. **Bargain Sales:** CBI may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of CBI. All bargain sales must be reviewed and recommended by the Board of Trustees of CBI. Factors used in determining the appropriateness of the transaction include:

- CBI must obtain an independent appraisal substantiating the value of the property.
- If CBI assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- CBI must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.

- CBI must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

8. **A. Life Insurance:** CBI must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, CBI 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, CBI may:

- continue to pay the premiums,
- convert the policy to paid up insurance,
- surrender the policy for its current cash value, or
- allow continuation of insurance through use of current and future policy value.

B. Life Insurance Beneficiary Designations: Donors and supporters of CBI shall be encouraged to name CBI as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to CBI until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

9. **Charitable Gift Annuities:** CBI may offer charitable gift annuities provided that the annuity contract conforms with the rates as set forth by the American Council on Gift Annuities. The minimum gift for funding shall be \$10,000. The Board of Trustees may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The Board of Trustees of CBI may approve exceptions to this payment schedule.

CBI will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. CBI may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Board of Trustees of CBI approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to CBI's general fund, endowment fund, or to such specific fund as otherwise designated by the donor or the Board of Trustees of CBI.

10. **Charitable Remainder Trusts**: CBI may accept designation as remainder beneficiary of a charitable remainder trust. CBI will not accept appointment as Trustee of a charitable remainder trust

11. **Charitable Lead Trusts**: CBI may accept a designation as income beneficiary of a charitable lead trust. CBI will not accept appointment as Trustee of a charitable lead trust.

12. **Retirement Plan Beneficiary Designations**: Donors and supporters of CBI shall be encouraged to name CBI as primary beneficiary or contingent beneficiary of their retirement plans. Such designations shall not be recorded as gifts to CBI until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

13. **Bequests**: Donors and supporters of CBI shall be encouraged to make bequests to CBI under their wills and trusts. Such bequests shall not be recorded as gifts to until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. The criteria for the acceptance of the bequest will be the same as otherwise provided herein.

VII. Miscellaneous Provisions

- A. It shall be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to CBI.
- B. The Board of Trustees of CBI is responsible for complying with the Internal Revenue Code upon the sale or disposition of any asset sold within two years of receipt.
- C. CBI generally does not pay "finder fees" or commissions to third parties in connection with any kind of gift to CBI. CBI does, however pay commissions and fees to properly negotiate and transfer assets. No officer, employee or agent of CBI is or will be compensated in a manner that is made on the size or nature of gifts made to CBI.

VIII. Changes to Policies

The Development Committee has reviewed these policies and guidelines and recommends that they be approved. The Board of Trustees of CBI must approve any changes to or deviations from these policies.

Approved on October 24, 2016 by the Development Committee of Congregation B'nai Israel.

Approved on December 13, 2016 by the Board of Trustees of Congregation B'nai Israel.

APPENDIX



MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER

Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.