



## **Gift Acceptance Policy**

*Adopted February 18, 2016*

Utah Heritage Foundation (the “Foundation”) welcomes both current and deferred gifts of assets. To assure that gifts are in the best interests of both the organization and the donor, the Utah Heritage Foundation Board of Trustees (the “Board”) has adopted the following policies to govern the solicitation and acceptance of gifts.

### Policies

1. The policy of the Foundation is to inform, serve, guide or otherwise assist donors who wish to support the Foundation’s activities, but never under any circumstances to pressure or unduly persuade. In particular, whenever a gift involving an irrevocable transfer of assets is under consideration, reasonable effort should be made to ensure that the donor has carefully considered that completing the gift would not jeopardize the donor’s personal or financial security.
2. Persons acting on behalf of the Foundation shall in all cases advise each donor to discuss the proposed gift with independent legal counsel, as well as with other professional advisors of the donor’s choice, so as to ensure that the donor receives a full and accurate explanation of all aspects of a proposed charitable gift.
3. The Executive Director or his/her designee are authorized to negotiate planned gift agreements with prospective donors, following gift guidelines approved by the Board.
4. The following Guidelines are established to assure that planned gifts accepted by the Foundation will be cost effective for the Foundation.
5. Through following the policies and guidelines within, all gifts to the Foundation are considered given of one’s own free will that can and will be used for said purposes by the Foundation. The Foundation will use discretion and communication with donors when circumstances or conditions for the use of the donor’s gift substantially change.

### Guidelines

1. Gifts of the following kinds of assets must be reviewed and approved by the Board or by a designated committee appointed by the Board prior to acceptance:

- a) Real estate;
- b) Closely-held stock, LLC units, and other ownership interests in businesses;
- c) Ownership interests in partnerships, LLC and S Corporations, and other pass-through entities;
- d) Tangible personal property (valued at \$5,000 or greater);
- e) Conservation easements or other qualified conservation contributions; and,
- f) Any other property not readily negotiable.

2. Donors may make gifts in the following ways:

- a) Outright Gift including stock and personal property valued under \$5,000;
- b) Bequest;
- c) Gifts of Retirement Plan Assets;
- d) Charitable Remainder Trusts;
- e) Charitable Lead Trusts;
- f) Retained Life Estate; and,
- g) Qualified Conservation Contribution.

3. Guidelines for gifts of real estate:

The purpose of accepting a gift of real estate is to generate proceeds to further the mission of Utah Heritage Foundation.

#### *Accepting Real Property*

- a) Prior to accepting the gift, the Foundation will proceed carefully with due diligence including:
  - i) Property inspection;
  - ii) Title search;
  - iii) Research tax records for payment history;
  - iv) Purchasing title insurance; and,
  - v) Consider a Phase I environmental survey; and,
- b) Also prior to accepting the gift, the Foundation will require an independent appraisal of the property's fair market value. The owner, not the Foundation, is responsible for contracting for the appraisal and establishing the value of the donation and the Foundation shall keep clear distance from the property valuation process.
- c) The Foundation will consider the following factors for acceptance of the property:
  - i) Condition of the property and the level of investment required by the Foundation to prepare it for sale and/or a future use;
  - ii) Usefulness of the property for the purposes of the Foundation;
  - lii) Marketability of the property, relative to its condition;
  - iv) Any restrictions, reservations, easements, or other limitations associated with the property;
  - v) Carrying costs, such as insurance, property taxes, mortgages, or notes, associated with the property;

- vi) Results of the environmental study and any potential liability for cleanup or restoration of the property that may be imposed under current law to a transferee; and,
  - vii) If the donor or life beneficiary requires to continue to occupy the real property and for what duration. In these instances, expenses for maintenance, insurance, taxes, and any other property indebtedness are to be borne by the donor or life beneficiary.
- d) The board is strongly encouraged not to hold or place any reserved interests on the property at the time of acceptance.

#### *Property Sale*

- d) To satisfy the purpose, the most direct course of action for real estate gifts is to immediately sell the donated real property.
- e) When disposing of the property, the Foundation and Board may consider providing advantageous owner financing, including but not limited to, modest down payment, reduced loan interest rate, and a balloon payment in three-to-five years. Circumstances for considering advantageous terms may include providing an incentive to complete a renovation by a certain date or placing an underutilized or endangered building into service more quickly.
- f) If a gift of real estate is accepted and received, the Foundation will record the gift in its financials at its fair market value, not insurance value or assessed value.

#### *Holding a Property*

- g) In rare circumstances where the Foundation's mission may closely align with the property's characteristics and it can be determined to be economically viable, the Board may consider holding the property for a longer time period.
- h) In these circumstances, the Foundation may consider borrowing against the property for funds to stabilize it, prepare it for marketing, and pay associated operating expenses.