



## **Gift Acceptance Policies & Guidelines**

The Foundation of Memorial Hospital Inc., a not for profit organization organized under the laws of the State of Wisconsin, encourages the solicitation and acceptance of gifts to The Foundation of Memorial Hospital Inc., (hereinafter referred to as the Foundation) for purposes that will help the Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation or for the benefit of any of its programs.

### **I. Purpose of Policies and Guidelines**

The Board of Directors of the Foundation and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of the Memorial Medical Center. These policies and guidelines govern the acceptance of gifts by the Foundation and provide guidance to prospective donors and their advisors when making gifts to the Foundation. The provisions of these policies shall apply to all gifts by the Foundation for any of its programs or services.

### **II. Use of Legal Counsel**

The Foundation may require board approval and may seek the advice of legal or other counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is required for:

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation.
3. Transactions with potential conflict of interest that may invoke IRS sanctions.
4. Real Estate

### **III. Conflict of Interest**

The Foundation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

### **IV. Restrictions on Gifts**

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

## V. Gift Acceptance Review

Gift Acceptance review will be made by the Board of Directors of the Foundation and Ex-Officio members who include the non-voting member and the Foundation Director.

The parties listed above are charged with the responsibility of reviewing all gifts made to the Foundation, properly screening and accepting those gifts.

## VI. Types of Gifts

The following gifts are acceptable

1. Cash
2. Tangible Personal Property
3. Securities
4. Real Estate
5. Remainder Interests in Property
6. Life Insurance
7. Charitable Remainder Trusts
8. Charitable Lead Trusts
9. Retirement Plan Beneficiary Designations
10. Bequests
11. Life Insurance Beneficiary Designations

The following criteria govern the acceptance of each gift form:

- **Cash:** Cash is acceptable in any form. Checks shall be made payable to the Foundation of Memorial Hospital, Inc. and shall be delivered to the Foundation Director at 216 Sunset Place, Neillsville, WI 54456
- **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 the Foundation?
  - 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 other tangible property gifts shall be made by the Board of Directors of the Foundation or its designee.

- **Securities:** The Foundation can 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 Directors. In some cases marketable securities may be restricted by applicable securities laws: in such instances the final determination on the acceptance of the restricted securities shall be made by the Board of Directors of the Foundation.

**Closely Held Securities:** Closely Held Securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other form ownership forms, can be accepted subject to the approval of the Board of Directors of the Foundation. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash,
- The security is marketable, and
- The security will not generate any undesirable tax consequences for the Foundation.

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 Directors of the Foundation and legal counsel. Every effort will be made to sell non-marketable securities as quickly as possible.

- **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, the Foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, the Foundation 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.

When appropriate, a title binder shall be obtained by the Foundation 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 Directors of the Foundation and by the Foundation's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of The Foundation?
- 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 environment audit reflect that the property is not damaged?
- **Remainder Interests in Property:** The Foundation will 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, the Foundation may use the property or reduce it to cash. Where the Foundation 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.

- **Life Insurance:** The Foundation 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 as valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation 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, the Foundation may:

- Continue to pay the premiums
  - Convert the policy to paid up insurance, or
  - Surrender the policy for its current cash value.
- **Charitable Remainder Trusts:** The Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Board of Directors of the Foundation. The Board of the Foundation will not accept appointment as Trustee of a charitable lead trust
- **Charitable Lead Trusts:** The Foundation may accept a designation as income beneficiary of a charitable lead trust. The Board of the Foundation will not accept appointment as Trustee of a charitable lead trust.
- **Retirement Plan Beneficiary Designations:** Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of the gift may be recorded at the time the gift becomes irrevocable.
- **Bequests:** Donors and supporters of the Foundation will be encouraged to make bequests under their wills and trusts. Such bequests will not be recorded as gifts until such time as the gift is irrevocable. When 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.
- **Life Insurance Beneficiary Designations:** Donor and supporters of the Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts 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 the gift may be recorded at the time the gift becomes irrevocable.

## VII. Miscellaneous Provisions

- **Securing the appraisals and legal fees for gifts to the charity:** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Foundation.
- **Valuation of gifts for development purposes:** The Foundation will record a gift received at its valuation for gift purposes on the date of the gift.

## VII. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Board of Directors of the Foundation of Memorial Hospital, Inc. The Board of Directors must approve any changes to or deviations from the policies.