

NEBRASKA LAWYERS FOUNDATION

GIFT ACCEPTANCE POLICY

I. Purpose

A. This Gift Acceptance Policy (the "Policy") has been adopted by the Nebraska Lawyers Foundation ("NLF") Board of Directors to outline procedures for analyzing and accepting charitable gifts to the NLF.

B. NLF is supported by the generous contributions of members of the Nebraska State Bar Association, and by other individuals and organizations. The objective of this policy is to encourage the financial support for NLF without encumbering NLF with gifts that may be restricted in a manner that is not in keeping with the mission of NLF, or which are likely to generate a disproportionate cost or obligation compared to the benefit received by NLF. NLF encourages the solicitation and acceptance of gifts that advance the NLF's mission.

C. While this policy is intended to provide guidance to NLF staff and the Board regarding acceptance of gifts, donors are ultimately responsible for ensuring that the proposed gift furthers their charitable, financial and estate planning goals. Therefore, each prospective donor is urged to seek the advice of independent legal and/or tax counsel in the gift planning process and NLF staff shall take appropriate steps to so notify prospective donors. The NLF shall not give legal, accounting, tax, or other advice to prospective donors.

II. Gift Review and Acceptance

The Board of Directors of the NLF (the "Board") has a fiduciary responsibility for accepting or declining all gifts to the NLF. All NLF directors, employees, staff, officers, volunteers, and trustees shall follow the guidelines set forth in this Policy. Once the NLF has accepted a gift, it becomes NLF property and at such point the donor has no direct decision making power regulating the disposition, use or investment of the gift unless the Board has accepted a restricted gift and approved of the requisite restriction(s).

The NLF Secretary (or designee) shall make the appropriate acknowledgement of all gifts made to the NLF, and shall put into place procedures to ensure compliance with federal tax law requirements for charitable gifts.

III. Types of Gifts and Authority and Procedures with Respect to Acceptance by NLF

Gifts to the NLF may be in the form of pledges, current gifts, or deferred gifts. A gift may be either unrestricted or restricted. Gifts with inappropriate restrictions – those which are not in the best interests of the NLF or may be such that the proposed gift may not be a charitable gift or subject the NLF to liability – shall not be accepted. The authority to accept various types of gifts and the procedures to be followed in each case are described below.

Gifts other than those set forth herein must be reviewed on a case by case basis by the NLF Board of Directors to determine whether the NLF will accept the gift, and, if accepted, the proper handling of the gift.

A. Pledges. Pledges are commitments to give a specific dollar amount according to a fixed time schedule. All pledges should be in writing and, to the extent possible, utilize the NLF's pledge form. The following minimum information should be obtained to substantiate a pledge:

- i. The amount of the pledge; and
- ii. A clearly defined payment schedule.

Pledges should not contain contingencies or conditions. NLF staff should ensure that the donor is financially capable of making the gift at the time the pledge is received.

B. Current Gifts. Current gifts may take of the form of (i) cash; (ii) gifts in kind; (iii) personal property; (iv) real property; or (v) securities.

i. *Cash Gifts*. Cash gifts may take the form of currency, check, credit card contribution, or wire transfers. All gifts of cash or cash equivalents without significant donor restrictions may be accepted by appropriate NLF staff as determined by the Executive Director. There is no minimum gift level for unrestricted donations of cash or cash equivalents. Restricted gifts of cash or cash equivalents will require other documentation as approved by the Board, including ensuring that any restrictions are appropriate and consistent with NLF purposes. Checks should be made payable to the NLF and in no event shall be made payable to an employee, agent, or volunteer for the credit of the NLF.

ii. *Gifts in Kind*. Gifts in kind include non-cash donations of materials and services. Gifts in kind might include such items as equipment, software, printed materials, food or other items used for hosting dinners, etc. There is no minimum gift level for gifts in kind.

iii. *Personal Property*. The NLF may consider gifts of personal property, both tangible and intangible. The NLF may choose to retain, sell or otherwise dispose

of all gifts of personal property. The NLF's intention to either resell the property or to retain and use it to further its charitable activities shall be communicated to the donor in writing at the time of the gift. NLF staff can be authorized to accept personal property after review to ensure that NLF does not accept property that it cannot use or readily sell

iv. *Real Property.* Real property includes, but is not limited to improved or unimproved land, personal residences, farmland, and commercial property. Absent unique circumstances related to the donor and/or the real property, it is the NLF's intent to dispose of all gifts of real estate as expeditiously as possible. This intent will be communicated to donors when the NLF receives notification of the donor's intent to gift real property. No gift of real property shall be accepted by the NLF without consultation and review of the gift by the Board. Ultimately the determination whether to accept a gift of real property must be made by the Board.

(a) *Market Value and Marketability.* The NLF must receive a current appraisal (not older than 60 days) of the fair market value of the property and interest in the property the NLF would receive if the proposed gift were approved. The appraisal shall be done in accordance with Internal Revenue Service ("IRS") requirements and should be performed by Member Appraisal Institute ("MAI"), Senior Residential Appraiser ("SRA"), or Senior Real Property Appraiser ("SRPA") at the donor's expense. The appraisal and other information must demonstrate clearly and convincingly that there is a market for the property under consideration and that the property can be sold within a reasonable period of time. Generally, a representative of the NLF will physically view and evaluate the property. In consideration of the value placed on the property by the donor's appraisal, the NLF will attempt to sell the property at a reasonable price in light of current market conditions.

(b) *Environmental Risks.* An environmental assessment will be made for all gifts of real estate. The appropriate level of assessment will be determined based on the review of each individual property. In some cases an additional environmental indemnity agreement may be required.

(c) *Limitations, Encumbrances and Title.* The donor must disclose the existence of mortgages, deeds of trust, restrictions, reservations, easements, liens or any type of other limitations on title as well as current zoning and provide income statements where appropriate. Encumbrances must be removed prior to the acceptance of the gift of real estate except in unusual circumstances approved by the Board. The NLF may consider obtaining a survey. Prior to acceptance, title insurance must be obtained for the property. The NLF will also consider whether there are any requirements for compliance with the Americans with Disability Act.

(d) **Carrying Costs.** The existence and amount of any carrying costs, such as property owner's association dues, maintenance fees, taxes and property and liability insurance, must also be considered.

If approved, the gift will be completed by the execution and delivery of a deed of gift or other appropriate conveyance document to the NLF. The costs associated with the conveyance and delivery of the gift, including but not limited to, recording fees, a current survey, title insurance and/or an attorney's title opinion, will generally be paid by the donor. If necessary, these costs will be reimbursed through the net proceeds of the sale.

v. **Securities.** Publicly traded securities (stocks, bonds and mutual funds) traded on major U.S. and foreign exchanges may be accepted by NLF staff, as determined by the Executive Director, unless the gift is restricted. Generally, the NLF will immediately sell this type of security. Restricted gifts of publicly traded securities require the prior approval of the Board, including ensuring that any restrictions are appropriate and consistent with NLF purposes. Gifts of closely-held securities will be accepted only upon approval of the Board and review of the gift by the NLF's legal counsel.

vi. **Oil, Gas and Mineral Interests.** NLF may accept gifts of oil, gas and mineral interests. Due to costs of administration, gifts of such interests likely will not be accepted if the gift involves small amounts, includes any type of potential liability or other consideration that might make the gift unacceptable to NLF, or consists of or includes a working or operating interest.

C. **Deferred gifts.** Deferred gifts include:

i. **Charitable Bequests.** Donors can make charitable bequests to the NLF in wills or living trusts. An unrestricted bequest of cash or publicly traded securities is always acceptable. A restricted bequest of cash or publicly traded securities or a bequest of closely held securities, real estate, tangible personal property, or other assets must be approved or declined by the NLF as described in this Policy.

ii. **Beneficiary Designations.** Donors can name the NLF as a beneficiary of certain types of "beneficiary designation" assets. Some examples of accepted assets are donor's life insurance policies and qualified retirement plans, such as 401(k) plans, 403(b) plans and Individual Retirement Accounts (IRAs).

iii. **Charitable Gift Annuities.** A charitable gift annuity is a contract between the NLF and the donor, whereby the donor makes an initial transfer of cash or publicly traded securities to the NLF and the NLF agrees to pay the annuitant a fixed amount for the rest of his/her lifetime. Charitable gift annuities will only be accepted upon review and approval by the Board and the NLF's legal counsel.

iv. *Charitable Remainder Trusts.* Charitable remainder trusts shall be created by the donor and the donor's legal counsel, in consultation with the NLF and its legal counsel. Generally, the NLF shall not serve as trustee of any charitable remainder trust.

v. *Charitable Lead Trusts.* Charitable lead trusts shall be created by the donor and the donor's attorney, in consultation with the NLF and its legal counsel. The NLF shall generally not serve as trustee of any charitable lead trust.

vi. *Life Insurance.* The NLF can receive two types of life insurance gifts: (i) Beneficiary Designation (where the NLF is named beneficiary of a life insurance policy and does not own the policy); or (ii) Outright (where the NLF receives a gift of insurance and the NLF is beneficiary and owner). The NLF may not accept term insurance policies. All gifts of insurance should be reviewed by the Board and NLF's legal counsel.

NLF must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. If the donor contributes future premium payments, NLF 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 pay the premium payments on the life insurance policy, NLF may, at its discretion: (a) continue to pay the premiums; (b) convert the policy to a paid-up insurance policy; (c) surrender the policy for its current cash value; or (d) on notice to the donor, take any other appropriate action.

vii. *Retained Life Estates.* Donors may make a gift to the NLF of their home, vacation home, or farm while retaining full use and rights to the property during their lifetime. (The donor retains a "life estate" and the NLF receives the "remainder interest".) The gift is created by transferring a deed to the NLF in consultation with the Board and NLF's legal counsel. Donors must sign a separate agreement with the NLF to clarify the responsibility for maintenance, taxes, insurance and other issues. Donors must have all documents reviewed by their own attorneys. All the normal review and gift acceptance procedures for gifts of real estate apply to gifts of life estate/remainder interests deeds.

IV. Payment of Fees Related to Gifts to the NLF

A. Finder's Fees and Commissions. No fee or other remuneration shall be paid by the NLF to any person or entity as consideration for directing a gift to the NLF. Payments of this nature raise legal and ethical concerns and, in the case of irrevocable deferred gifts that involve the management of assets, the payment of such a fee may subject NLF and its management and directors to regulation under federal and state securities law.

B. Appraisals. If the NLF believes that a non-cash gift (other than publicly traded securities) has a value of twenty five thousand dollars (\$25,000.00) or more, then the donor, at his/her sole cost and expense, should provide the NLF an appraisal of the gift performed by an Independent Qualified Appraiser as defined by the Internal Revenue Code; provided, however, that all gifts of real property are subject to an appraisal requirement as described above. The donors should be notified at the time of receipt of the gift that the NLF will cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

C. Professional Fees. The NLF will generally not pay fees incurred by donors for professional services in connection with the completion of a gift to the NLF, such as legal, appraisal and survey fees. The NLF may obtain and pay for its own legal, investment, financial planning, and accounting advice as it deems necessary.

V. Donor Privacy

The NLF is committed to honoring our donors' privacy, including any personally identifiable information. The NLF will not sell, trade or rent any donors' personal or contact information (including email address) without the express written consent of the donor. However, the NLF may be required to list donor information on federal and/or state tax and information returns.

VI. Ethical Considerations

The NLF will not participate in gift planning activities if there is a question as to whether the donor has sufficient title to the asset or whether the donor is mentally competent or legally able to transfer the property as a gift to NLF. The NLF does not solicit gifts or market gift planning techniques as investments or securities. The NLF will adhere to the [Code of Ethical Principles and Standards of Professional Practice adopted by the Association of Fundraising Professionals](#).

VII. Miscellaneous

The NLF Board of Directors must approve any changes or amendments to this Gift Acceptance Policy, or any variations from the Policy.

This Gift Acceptance Policy was adopted by the NLF Board of Directors effective as of September 6, 2017.