



Gift Acceptance and Fund Management Guidelines

Charitable Funds

REFERENCE GUIDE



	FUND MINIMUM	FUND OWNERSHIP	CHARITABLE PURPOSE	FUND RESTRICTIONS	DONOR ROLE
AGENCY FUND Established by a nonprofit organization with their own funds to grant back to themselves.	\$25,000	Legal ownership of the funds is transferred from the nonprofit organization to CVCF at the time of the gift.	The fund creates sustainability for the nonprofit organization and provides external ownership of the funds.	The fund can only receive contributions from the founding nonprofit organization and not from other donors.	The nonprofit organization can recommend grants and select the investment pool for the funds. In order to grant funds back to the nonprofit organization, documentation from its board (board resolution or minutes) must be provided.
CUSTODIAL AGENCY FUND Established when a nonprofit transfers its own funds to CVCF for investment purposes but wishes to maintain legal ownership of the funds.	\$25,000	Legal ownership is maintained by the nonprofit.	The fund allows a nonprofit organization to utilize CVCF's investment expertise and capacity for its investments.	The fund can only receive contributions from the founding nonprofit (must be 501(c)(3)) and not from other donors. Deposits must be made in increments of \$1,000. Withdrawals may be made no more than once per week. Payment for full redemption is made in two payments: 80% within 15 business days after receipt of written request, and remaining 20% within the following 45 business days to allow for final accounting.	All contributions to the fund must be made from the founding nonprofit directly to CVCF's investment company. The nonprofit selects the investment pool and requests distributions from the fund.
DESIGNATED ORGANIZATION FUND Allows a donor to exclusively grant to up to three (3) nonprofits, educational institutions, religious organizations, public government entities, and/or private operating foundations.	\$25,000	Legal ownership of the funds is transferred from the donor to CVCF at the time of the gift.	The fund provides support to up to three (3) specific organization(s) identified by the donor in their fund agreement.	The fund can only support the nonprofit organization(s) (must be 501(c)(3)) named in the fund agreement.	The donor designates the organization(s), grant amount, purpose, and timing in the fund agreement. The designated organization(s) can also request funds if donor did not specify timing of the grants. The donor recommends the investment pool.
DONOR ADVISED FUND Allows the donor (or person designated by the donor) to provide grant recommendations to CVCF, which can be made to a wide variety of charitable organizations.	\$5,000	Legal ownership of the funds is transferred from the donor to CVCF at the time of the gift.	As the most flexible type of fund, grants can be made to a wide range of organizations, at the time and amount recommended by the fund advisor and approved by the CVCF board.	Grants can be made to any nonprofit (must be 501(c)(3)), educational institution, religious organization, public government entity, or private operating foundation.	The donor recommends a grant from the fund for the CVCF board to consider. The board has the sole decision-making authority for all fund distributions. The donor recommends the investment pool.
FIELD OF INTEREST-BOARD FUND Provides grants for up to five (5) areas of interest chosen by the donor in the fund agreement. CVCF's board has the sole discretion to decide what grants will be made within the donor's chosen areas of interest.	\$25,000	Legal ownership of the funds is transferred from the donor to CVCF at the time of the gift.	The fund provides support to up to five (5) areas of impact identified by the donor in their fund agreement.	The fund can only support the area(s) of interest identified by the donor.	Selection of field of interest(s) at time of fund establishment.
FIELD OF INTEREST-OUTSIDE FUND Provides grants for up to five (5) areas of interest chosen by the donor in the fund agreement.	\$25,000	Legal ownership of the funds is transferred from the donor to CVCF at the time of the gift.	The fund provides support to up to five (5) areas of impact identified by the donor in their fund agreement.	The fund can only support the area(s) of interest identified by the donor.	The donor identifies a committee to make grant or expense recommendations. The donor and/or their family members can serve on the committee as long as they make up a minority position. The committee can recommend the investment pool.
SUPPORT ORGANIZATION Established by the donor and CVCF to create a separate charitable entity that benefits from CVCF's 501(c)(3) status and back-office support but is operated by a board jointly selected by CVCF and the donor. A Support Organization is a hybrid of private foundations and public charities that generally enjoys more favorable tax treatment than private foundations.	\$2M	Legal ownership is maintained by the Support Organization.	The Support Organization makes grants or engages in activities or programs that supports or benefits CVCF's broad charitable purpose. The Support Organization can also fundraise in furtherance of its purposes.	Must be organized and operated to support CVCF's broad charitable purpose and cannot be controlled by the donor or their family members or controlled organizations.	The donor can be a minority member of the Support Organization's board of directors, which directs its business, including grant and investment decisions.

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March 2025



Ethical Standards

The Central Valley Community Foundation (CVCF or Foundation) is committed to the highest ethical standards of philanthropy and development in all transactions between potential donors and the Foundation. All donors are strongly encouraged to discuss their gifts with their own legal, financial, and/or tax advisors before signing any gift agreement. The role of the Foundation's staff is to inform, guide, and assist the donor in fulfilling his or her philanthropic goals without pressure or undue influence.

Every person acting for or on the Foundation's behalf shall adhere to those standards outlined in the Association of Fundraising Professionals Donor Bill of Rights:

www.afpnet.org/files/ContentDocuments/Donor_Bill_of_Rights.pdf

and the *Model Standards of Practice for the Charitable Gift Planner*:

<https://charitablegiftplanners.org/standards/model-standards-practice-charitable-gift-planner>

Fund Status – Active and Inactive Funds

Fund activity may take many forms, including, but not limited to, regular grant recommendations, long-term giving plans, and/or project-associated grants. A fund is considered active when the donor/fund advisor recommends a grant or makes a gift to the fund within a 2-year period. Exceptions may be made in certain scenarios, such as:

- **Long-term Giving Plan:** Donor/fund advisor deliberately reduces the frequency or size of grant recommendations from the fund to:
 - Build the fund balance to ensure grantmaking during retirement and/or when income changes.
 - Build the fund balance to leave a charitable legacy for the next generation to advise. This period is not to exceed 5 years without recommending a grant.
 - Build the fund balance to recommend a large grant for a specific project or organization.
- **Legal Issues:** In some cases, legal issues may require suspension of grantmaking from a fund until resolution. The Foundation will document steps being taken toward clarifying advisory authority and the fund's grantmaking ability. Examples might include:
 - Donors/fund advisors are in the process of divorce. Grants may be suspended until the fund's status is resolved.
 - Assets are being transferred to the fund during an estate settlement process; grants will not be made until the estate is fully settled.
- Other exceptions to this Fund Activity policy made for an individual fund must be approved by the Foundation's CEO and documented in the fund record.

Fund Monitoring Process and Inactive Funds

Consistent with its purpose of making an impact through philanthropy, the Foundation is committed to distributing philanthropic dollars from its funds to the community at regular intervals and will contact fund advisors at least annually and encourage them to maintain an active role in their fund's grantmaking.

Unless noted, if a fund does not make a grant after two years, the Foundation will attempt to contact the fund advisor via email or phone call at least three (3) times to encourage grantmaking, discuss intentions for the fund, and remind the advisor of this policy. If there is still no response within 30 days after the second contact, the Foundation will send a letter to the advisor again encouraging grantmaking and again reminding the advisor of this policy.

If the fund has made no grants and the advisor cannot be located or is unresponsive after the third contact attempt, the fund will terminate on the 90th day of the year immediately following the two calendar years of inactivity.

Donor Initiated Fund Closing Process

If a fund advisor would like to voluntarily close a fund, they would make a written request to the Central Valley Community Foundation Board. The Board will vote on the request and notify the fund advisor.

Terminated Fund Distribution Process

If a fund is terminated, the remaining assets will be distributed to one or more grantees (which may include past grantees) for the charitable purpose specified in the agreement governing the fund.

If the fund agreement does not state a charitable purpose but the fund's grantmaking history shows a clear charitable direction through their grants, then the fund's remaining assets will be distributed to one or more grantees (which may include past grantees) for that purpose.

If the fund agreement does not state a charitable purpose and the fund's grantmaking history does not reveal a clear charitable direction, the fund's remaining assets will be transferred to one of the Foundation's Board-designated endowments or unrestricted funds.

After the fund's remaining assets are distributed or transferred, the fund will be closed on the Foundation's books. A final notice will be sent to the fund advisor to communicate the final disposition of the fund's remaining assets.

Variance Power

The Foundation's board can exercise variance power to change a fund when its purpose is no longer necessary, can no longer be fulfilled, or has become inconsistent with the community's charitable needs. This power to update funds helps protect donors by avoiding the need for complex and costly legal proceedings.

Gift Acceptance

The Gift Acceptance policy aims to advance the Central Valley Community Foundation's mission and is designed to serve the best interest and provide the maximum benefit to the community, donors and fundholders, the Foundation and the beneficiaries of the Foundation's charitable programs and activities.

The policy applies to current and deferred gifts. The Foundation accepts gifts to raise financial support for the community without generating more cost than benefit or restricted in a manner not in keeping with the Foundation's charitable purposes or applicable laws governing charitable gifts. *Notwithstanding anything in this policy to the contrary, the Foundation reserves the right to waive any requirements herein with respect to acceptance of specific gifts with board approval.*

Gift Definition

A gift is defined as a voluntary, irrevocable transfer of assets from a person or organization motivated by charitable intent to the Foundation. Gifts are not generally subject to an exchange of consideration or other contractual duties between the Foundation and the donor, except for certain split-interest gifts as set out in this Policy. However, funds may be restricted for a specific purpose, and objectives for the gift may be stated. A gift is not considered complete until the Foundation has accepted it.

Gift Agreements

Subject to the Investment Committee's review and approval authority, the Foundation's President will have the authority to handle inquiries, negotiate with donors, assemble documentation, retain expert and technical consultants, and execute agreements on the Foundation's behalf. The President may delegate these tasks to Foundation staff except for executing agreements.

Investment of Gifts

The Foundation reserves the right to make any or all investment decisions regarding gifts to it in accordance with its **Investment Policy Statement**, as amended from time to time. In making a gift to the Foundation, the donor gives up all rights, title, and interest to the assets contributed. In particular, the donor relinquishes the right to choose investments, investment managers, and brokers or veto investment choices for the contributed assets.

However, when the size of a fund warrants separate investment consideration, and when otherwise permitted by law, the Foundation will endeavor to accommodate requests from donors for separate investment of fund assets or use a particular investment manager, broker, or agent in accordance with the Foundation's **Investment Policy Statement** and may consult with donors on investment options for such funds.

Costs of Accepting and Administering Gifts

Generally, the donor bears the costs associated with accepting a gift, such as the donor's attorneys' fees, accounting fees, appraisal, and escrow fees. The direct cost of administering gifts is generally paid from the individual funds' assets. Custodial, investment, and administrative fees are paid from the respective funds in accordance with the Foundation's guidelines and fee schedules.

Gift Type

The purpose of a gift to the Foundation must fall within the Foundation's broad charitable purposes. The Foundation cannot accept any gift that will be directly or indirectly subject to any material restriction or condition by the donor that prevents the Foundation from freely and effectively employing the gift assets or the income from such assets to further its charitable purposes. In addition, the Foundation reserves the right to reject any gift that might place the other assets of the Foundation at risk or that is not readily convertible into assets that fall within the **Foundation's Investment Policy Statement**. The Foundation may also decline a gift if it cannot administer the terms of the gift per the donor's wishes.

Any Foundation employee or board member designated by the Foundation's Investment Committee may accept any of the following gifts on behalf of the Foundation:

- **Cash**
 - In the currency of the United States.
 - By checks made payable to the Foundation. Checks not made out to the Central Valley Community Foundation or CVCF will be returned.
 - By credit card or wire transfer to the Foundation's account(s).

- **Marketable Securities**

- The Foundation accepts gifts of marketable, publicly traded stocks and bonds. Generally, publicly traded stocks and bonds contributed to the Foundation will be redeemed or sold as soon as practicable. All proceeds from such redemption or sale, less commissions and expenses, are then credited to the component fund to which the stocks or bonds were initially contributed.
- The Foundation may accept gifts of publicly traded stocks and bonds in any amount to any existing fund. However, gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement.
- No appraisal is required so long as the stock or bond is not subject to any restrictions, including those imposed by contract or the Securities Exchange Commission. Where appraisal is not required, the value of the gift is determined by calculating the mean of the high and low prices of the securities on the date of the gift.

For non-cash assets, the Foundation's general policy is to liquidate all gifts promptly. On occasion, the Investment Committee may decide not to liquidate a gift immediately. Non-cash assets will require review and, if appropriate, approval by the Foundation's Investment Committee. Gifts requiring Committee review will be handled promptly. Foundation staff will immediately notify donors if a gift is not accepted. Gifts requiring immediate action may be exempted from full Committee review if the Foundation President, in consultation with the Chair and Vice-Chair of the Board, that gift may be accepted without jeopardizing the Foundation's exempt status or unduly exposing the Foundation to liability.

- **Intellectual Property, Mineral Reserves, Precious Metals**

- **Personal, Tangible Property**

- The Foundation accepts gifts of personal, tangible property (e.g., artwork, coin collections, jewelry) only if: (i) the Foundation determines that the property will be used in furtherance of the Foundation's exempt purposes or (ii) the Foundation will be able to sell the property. If the property is to be sold, the Foundation will accept the gift only if it has sufficient value to justify the expenditure or resources required for such sale.
- The Foundation may accept gifts of personal, tangible property in any amount to any existing fund. Gifts of tangible personal property to establish a new component fund at the Foundation must meet the applicable minimum funding requirement.
- To qualify for a charitable income-tax deduction of \$5,000 or more, the donor must obtain a qualified appraisal of a personal, tangible property gift. The donor must share any appraisal data received with the Foundation. The Foundation will not provide a valuation of the gift for the donor's tax purposes and may require an appraisal upfront to consider acceptance of the gift.
- The Foundation will review all prior appraisals and authentication documents relating to the property, if any.
- If the property is sold, the Foundation will ascertain the market for such property and estimate the costs to be incurred in connection with the sale and the costs of holding the property prior to the sale.
- All costs incurred by the Foundation in connection with the holding and sale of the property shall be charged against the sale proceeds, with the balance being credited to the fund to which the property has been contributed.

- **Life Insurance, Annuity, and Retirement Policies**

- The Foundation may accept gifts of life insurance policies so long as the policy is not encumbered (i.e., there is any outstanding loan against the policy) and the Foundation is made the policy's owner and primary beneficiary.
- When premium payments can no longer be made because there is insufficient value in the policy to keep it in force or because the Foundation chooses to discontinue premium payments, the policy will be surrendered.
- The Foundation may accept gifts of life insurance policy in any amount to any existing fund. Gifts of life insurance policy to establish a new component fund at the Foundation must meet the applicable minimum funding requirement.
- **Real Estate**
 - This policy applies to all gifts of real property, including outright gifts of residential and commercial property and farmland, bargain-sale transactions, and gifts of remainder interests in which the donor retains a life estate. The Foundation does not accept gifts of time shares.
 - The Foundation may accept gifts of real property to any fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement.
 - Real estate gifts meeting the following criteria can be reviewed and accepted by the Foundation's CEO:
 - Real property will result in at least \$50,000 net proceeds upon sale.
 - Donor warrants that the property will have no tenants or liens at the time of conveyance to the Foundation.
 - Donors are committed to bearing the cost of obtaining a qualified appraisal, preliminary title report, and other documentation as may be required during the sale process. Depending on the circumstances, the Foundation may deem such reports necessary to consider acceptance of the gift.
 - If the conditions above are not met, the Investment Committee must review the potential gift. The Investment Committee's consideration may include any or all of the following:
 - Determine whether the real estate gift is an acceptable minimum value.
 - Confirm that the donor has legal capacity and is entitled to convey the property through copies of the deed, title report, etc., provided by the donor.
 - Determine whether, if the property is encumbered by debt, the debt is of a level that will not unduly burden the Foundation or adversely affect the property's marketability.
 - Perform a market and financial analysis prior to acceptance of the gift to determine whether the gift is a financially sound acquisition.
 - Weigh its ability to manage commercial property for the time necessary to sell it. For example, income-producing property may subject the Community Foundation to unrelated business income tax and/or other types of expenses, including but not limited to upkeep of land, maintenance of buildings, and management of property.
 - Evaluate whether any restrictions on the gift desired by the donor will jeopardize the classification of such gift as charitable.
 - To qualify for a charitable income-tax deduction of \$5,000 or more, the donor must obtain a qualified appraisal and share any appraisal data received with the Foundation. The Foundation will not provide a valuation of the gift for the donor's tax purposes and may require an appraisal upfront to consider acceptance of the gift.

- Distributions from a component fund that consists entirely of real property are limited to the net income generated by the property less fees assessed by the Foundation and any unrelated business tax imposed thereon.
- The Foundation will generally seek to sell real property as soon as possible and generally will not accept gifts that cannot be liquidated within three years.
- Donors will provide the information and documents requested in the **Real Property Donation Checklist** and the **Real Property Inquiry Form** at the earliest possible time prior to the acceptance of the gift. The Foundation may request additional information or documents when necessary to evaluate the proposed gift.
- Whenever possible, a member of the Foundation staff or an authorized representative will visit the property to determine its nature and type and to identify any potential problems not evident from information supplied by the donor that might hinder or prevent the foundation's sale of the property.
- If the property type warrants, Donors will provide at least a Phase I Environmental Report with disclosure of any environmental problems or statement that none exists.

- **Agricultural Commodities**
 - Crop gifting is available for cash-basis farmers. The gift must be from an unsold crop inventory without prior sale commitment. The grower must give up dominion and control of the crops at the time of transfer. The Foundation President can accept proposed crop gifts on the Foundation's behalf or bring them to the Investment Committee for consideration when circumstances warrant further review.
 - For accounting purposes, a market price must be reported for crop gifts at the time of donation. The donor will be notified upon sale of the amount of the proceeds. The donor remains responsible for the full costs of cultivating, harvesting, storing, and transporting the donated crop as business expenses. Processing or other costs at sale may be deducted from the proceeds received by the Foundation.
 - Crop gifts are recorded as an account receivable at the time of donation based on the then-current market price. However, no distributions are allowed based on anticipated crop gift proceeds. Only when cash proceeds of the sale are received by the component fund may charitable distributions be made against the donation.
 - The Foundation will sell the donated crops and receive the sale proceeds. The sales invoice must name the Central Valley Community Foundation as the seller of the crop. The grower cannot control where or when the Foundation sells the crop to ensure the grower does not have dominion over the crop once the gift is made. However, the donor must identify the buyer of the donor's remaining crop yield, and the Foundation must be given the option to sell the donated crop to the same buyer on like terms.
 - The donor will deliver the commodity at their expense to the processor designated by the Foundation.
- **Excess Business Holdings**
 - The Pension Protection Act of 2006 amended section 4943 of the Internal Revenue Code to effectively limit ownership of closely held business interests in a donor-advised fund. Generally, the fund's holdings, together with the holdings of disqualified people (donor, advisor, members of their families, and businesses they control), may not exceed any of the following:
 - 20% of the voting stock of an incorporated business.
 - 20% of the profits interest of a partnership, joint venture, or the beneficial interest in a trust or similar entity.
 - Any interest in a sole proprietorship.

- These limitations do not apply if the donor-advised fund holds an interest that does not exceed two percent of the voting stock and two percent of the value of the business.
- Donor-advised funds receiving gifts of interest in a business enterprise have five years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. To prevent a violation of these rules, it is the Foundation's policy to divest itself of such holdings within five years from the date the Foundation acquired the asset. If that is not possible, the asset will be transferred to a new or existing fund that is not an advised fund.
- Gifts of Closely Held and S Corporation Stock, Partnership and Limited Liability Company (LLC) Interests, and Accounts Receivable (e.g., loans, notes, mortgages) will be reviewed on a case-by-case basis and, if approved, will be accepted via a third-party organization.

Deferred Gifts and Planned Giving

Bequests

The Foundation accepts bequests from donors who have directed in their wills that certain assets be transferred to the Foundation and honors the donor's wishes as expressed but reserves the right of refusal as necessary and appropriate. The Foundation may not be named as Executor for a donor in his/her will and will not serve if called. Realized bequests will be assessed a 5% fee when received and fund management fees will not be assessed for the calendar year. The Foundation's President can negotiate caps to the fee, with final approval provided by the Chair of the Board.

Retirement Plans or IRA Accounts

Donors may make lifetime gifts of retirement assets or name the Foundation as the beneficiary of their plan.

Life Income Gifts

The Foundation will work closely with donors to implement planned giving options that provide income to a donor or his/her designees, as well as financial benefit to the Foundation (split-interest gifts).

- **Charitable Remainder Trust (CRT)** - This trust makes payments to one or more beneficiaries for their lifetimes, or for a fixed term, or a combination of both. Assets are put into a trust, beneficiaries are paid, and when the trust term ends, the remainder in the trust passes to the Foundation for its charitable purposes. The donor names a Trustee to manage the trust and determines whether the payout will be fixed (a charitable remainder annuity trust (CRAT)) or variable (a charitable remainder unitrust (CRUT)). Trusts can be set up during the donor's lifetime or by will. The Foundation encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust. At the donor's request, the Foundation will confer with their advisors to assist in establishing the trust from which it will ultimately benefit. The Foundation will not serve as Trustee of the trust.
- **Charitable Lead Trust (CLT)** - This trust first makes distributions to the Foundation for a specified period, with the remainder reverting to the donor or another beneficiary at the end of the period. It may be set up during one's lifetime or in a will. The Foundation will work closely with the donor and/or his advisor to create the trust. The Foundation will not serve as Trustee of the trust.

Life Estate

A donor may wish to contribute a personal residence or farm to the Foundation and retain the right to use the property until death. Upon the donor's death, the Foundation owns the entire interest in the property.

Fundraising by Donors

Because the Foundation is legally responsible for all fundraising undertaken on its behalf, fundraising undertaken by donors in connection with funds of the Foundation must be approved in advance by the Foundation pursuant to the Foundation's **Donor Initiated Fundraising Policy**. All such fundraising activities are subject to the Foundation's supervision.