



Gift Acceptance Policy

I. General Information

YouthBridge Community Foundation (“YouthBridge”), a non-profit corporation organized under the laws of the State of Missouri. The following policies govern acceptance of gifts made to YouthBridge and its component funds. The mission of YouthBridge is to partner with donors to help charities, especially those focused on children, become financially sound through leadership, grants, and donor services.

1. Purpose of These Policies

YouthBridge encourages and solicits current and deferred gifts to secure its future growth and mission. The following policies govern the acceptance of gifts made to YouthBridge and are intended to assist the Board of Directors, staff and committees in their decisions whether to accept a gift. In addition, the YouthBridge Board of Directors and staff must assure that gifts accepted do not place other assets of YouthBridge at unnecessary risks. YouthBridge must also assure that it can administer the terms of the gift in accordance with the donor’s wishes.

2. Confidentiality

All communication with donors and information concerning donors and prospective donors shall be held in strict confidence by YouthBridge, subject to legally authorized and enforceable requests for information by governing agencies and courts. All other requests for donor information will be honored or allowed only if the donor grants permission, in writing, prior to the release of such information.

3. YouthBridge Responsibilities

YouthBridge staff should disclose to all prospective donors matters that could reasonably be expected to influence a donor’s decision to make a gift to YouthBridge. YouthBridge advises all 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. In particular donors should be made aware of:

- The irrevocability of a gift;
- Items subject to market variability (market value, investment return, and income yield);

- YouthBridge's responsibility to provide periodic financial statements on donor funds.

The role of YouthBridge staff shall be to inform, guide and assist a donor in fulfilling his or her philanthropic wishes but never to pressure or unduly influence a donor's decision.

4. Ethical Standards

YouthBridge is committed to the highest ethical standards. YouthBridge, its staff and volunteer representatives shall adhere to both the *Code of Ethical Principles and Standards* as adopted by the Association of Fundraising Professionals and the *Model Standards of Practice for the Charitable Gift Planner*, as adopted by the Partnership for Philanthropic Planning. YouthBridge will not participate in gift discussions if there is a question as to the title/ownership of the asset or the donor's competency to transfer an asset.

5. Gift Acceptance Committee

The Executive Committee shall serve as the Gift Acceptance Committee.

Unless stated differently in these policies, it shall be responsible for reviewing all gifts made to YouthBridge, properly screening and accepting those gifts and making recommendations to the Board of Directors on gift acceptance issues when appropriate.

The Chief Executive Officer shall have the authority to accept gifts of cash and marketable securities as outlined in these policies.

6. Use of Legal Counsel

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

- Closely held stock, restricted securities or illiquid assets;
- Documents naming YouthBridge as trustee;
- Gifts involving contracts, such as bargain sales, or other documents requiring YouthBridge to assume an obligation;
- Transactions with potential conflict of interest;
- Transactions that may involve a risk to YouthBridge or its staff;
- Transactions where the YouthBridge staff or Gift Acceptance Committee deems it necessary or advisable.

7. Restrictions on Gifts

YouthBridge will accept gifts restricted for specific programs and purposes provided such gifts are consistent with YouthBridge's mission, policies and stated minimums.

Any donor restrictions or designations on a gift must be documented in a fund agreement, letter of transmittal or similar document and expressly agreed to by YouthBridge in writing.

The YouthBridge Board of Directors may modify any restriction or condition placed on a gift, if in their judgment, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

Any gift without designation or restriction shall be deemed an unrestricted gift.

8. Refusal of Gifts

YouthBridge will not accept any gift that jeopardizes its tax-exempt status, and it reserves the right to decline any gift that it believes not to be in its best interest. Some examples of when a gift might be refused include:

- the cost of managing or preserving the gift exceeds any potential benefit provided by the gift;
- The gift or its purpose is in conflict with YouthBridge's corporate charter or bylaws;
- The gift or its purpose is contrary to a local, state or federal regulation or public policy.

II. Types of Funds

YouthBridge establishes component funds in response to donors' charitable concerns and community needs. While funds may be built in increments, the minimum balance for distributions to begin is \$5,000 generally. The Board of Directors of YouthBridge has responsibility for accepting, managing and disposing of component funds. Because children are the future of our community, we encourage donors to consider establishing funds or making grants that benefit children and youth. Types of funds at YouthBridge include the following:

1. Donor-Advised Funds

Donors establish donor-advised funds (DAFs) when they wish to actively participate in the grant activity of the fund. Donors of DAFs or their appointed advisors may offer recommendations to YouthBridge regarding the recipients and amounts of grants from the DAFs. Donors establishing DAFs may name children or other designees to succeed them as advisors. This successor provision will generally extend for one generation only. The donor may select how the fund balance shall be distributed at the end of the donor's, or appointed advisors', and successor advisors' lives.

2. Field of Interest Funds

A field of interest fund can be opened with a minimum contribution of \$5,000 or the intent to build to \$5,000. Income on the fund will be used in the area of charitable purpose designated by the donor in the agreement establishing the fund. An advisory committee appointed by YouthBridge shall make grant recommendations to the YouthBridge Board of Directors.

3. Designated Funds and Agency Funds

Designated Funds and Agency Funds are earmarked for one or more charitable organizations, and all grants from such funds will be made to, or for the use of, the

designated recipient organization. If the recipient organization ceases to exist or changes its status or mission as a charitable organization, YouthBridge's Board of Directors may exercise its variance power, selecting an alternative use for the fund compatible with its original charitable purpose.

4. Scholarship Funds

Scholarship funds are dedicated to providing grants for educational assistance to individuals seeking post-secondary education.

5. Special (Community) Project Funds

YouthBridge may serve as fiscal sponsor for various community projects. These non-endowed funds are created to hold contributions raised for a specific purpose until disbursements are made to cover the costs of the project. When the money for the project has been expended, the temporary fund ceases to exist.

III. Variance Power

The Board of Directors has the power to:

- Modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in their judgment, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable need of the communities served;
- Replace any trustee, custodian or agent for breach of fiduciary duty under the laws of the State of Missouri;
- Replace any trustee, custodian or agent for failure to produce a reasonable return with due regard to safety of principal, over a reasonable period of time.

If the Board of Directors determines that possible grounds for exercise of one or more of these variance powers exist, the Board of Directors will notify the effected persons and give them a reasonable opportunity to provide an explanation or correction. The Board of Directors may only act under one or more of these variance powers upon the vote of a majority of the members of the Board of Directors.

Upon the exercise of one or more of the powers stated above, the Board of Directors shall promptly select the successor to whom the funds will be transferred.

IV. Types of Gift Assets

1. General

YouthBridge may accept gifts in the form of the following assets:

- Cash and cash equivalents;

- Securities;
- Tangible personal property;
- Beneficiary designations in retirement plans, life insurance or commercial annuities;
- Real estate;
- Oil, gas and mineral Interests;
- Life insurance policies;
- Other assets approved by the Board of Directors.

2. Cash and Cash Equivalents

Cash may be accepted in any negotiable form. Checks shall be made payable to YouthBridge Community Foundation. YouthBridge also accepts credit card payments.

3. Securities

YouthBridge may accept gifts of both publicly traded securities and closely held securities.

a) Publicly Traded Securities

As a general rule, all marketable securities shall be sold upon receipt. In some cases, marketable securities may be restricted by applicable securities laws; in such instances, a recommendation on the acceptance of the restricted securities shall be made by the Finance or Investment Committee and approved by the Executive Committee.

Securities which shall not be accepted include those which are assessable or which in any way may create a liability; those which, by their nature, may not be assigned; or those which have no apparent value.

b) Closely Held Securities

YouthBridge may accept closely held securities, which include debt and equity positions in non-publicly traded companies, interests in limited partnerships and limited liability companies, or other forms of ownership, upon approval of its Board of Directors. Such gifts shall be reviewed and approved under the following criteria:

- Whether restrictions are imposed on the security that would prevent YouthBridge from ultimately converting the security to cash;
- Whether and how easily the security is marketable;
- Whether the security may generate any unfavorable tax consequences for YouthBridge;
- The time, administration, management and other costs or responsibilities that will be incurred during the holding period.

If it appears that potential problems may arise, further review and recommendation by and outside professional should be made. Donors should be advised as to YouthBridge's policy that every effort will be made to sell closely held securities as quickly as possible.

YouthBridge does not accept gifts of general partnership interests due to potential unlimited liability.

4. Tangible Personal Property

The Executive Committee shall decide whether to accept a gift of tangible personal property based on the recommendation of the CEO or staff. All gifts of tangible personal property shall be reviewed under the following criteria:

- Whether the property is marketable or useable by YouthBridge;
- Whether any undue restrictions on the use, display, or sale of the property exist;
- Whether there are any carrying costs or liability associated with the property.

Gifts in excess of \$5,000 must be accompanied by a qualified estate appraisal. Unless the property is to be used in connection with YouthBridge's tax-exempt purpose, it will be sold at the highest possible price as soon as possible after conveyance. A completed IRS Form 8283 ("Noncash Charitable Contributions") must go along gifts of tangible personal property.

5. Real Estate

YouthBridge may accept gifts of real estate that include developed property, undeveloped property, or gifts subject to a prior life interest. Real property will be accepted at fair market value as established by at least one qualified appraisal provided and paid for by the donor.

Prior to accepting real estate, YouthBridge shall require an initial environmental review of the property. If the initial inspection indicates that issues exist, YouthBridge shall retain a qualified inspection firm to conduct an environmental audit.

Where appropriate, YouthBridge shall obtain a title binder prior to accepting the real property gift.

Generally, all costs or expenses associated with accepting, processing, managing or liquidating the property shall be charged against the donor's gift or paid by the donor.

A completed IRS Form 8283 ("Noncash Charitable Contributions") must accompany gifts of real property.

The Board of Directors shall approve the real estate gift based on a recommendation by the Executive Committee. Criteria for accepting the property shall include:

- Whether the property is useful for the purposes of YouthBridge;
- Whether the property is marketable;
- Whether any restrictions, reservations, easements or other limitations associated with the property exist;

- Whether there are carrying costs, which may include insurance, property taxes, mortgages, or notes, associated with the property;
- Whether the property is subject to liens, unpaid mortgages, deeds of trust, judgment liens, unpaid taxes or assessments, mechanic's liens, or other encumbrances;
- Whether there are relevant disposition costs that are the responsibility of YouthBridge;
- Whether the environmental audit reflects that the property is free from environmental issues;
- Whether YouthBridge may be exposed to unrelated business taxable income.

6. Life Insurance

YouthBridge generally accepts gifts of life insurance policies; however YouthBridge must be named as both the beneficiary and irrevocable owner of an insurance policy before the policy can be recorded as a gift. If the donor does not elect to continue making gifts to YouthBridge to cover premium payments on the life insurance policy, YouthBridge may:

- Continue to pay the premiums; or
- Sell the policy at auction; or
- Convert the policy to paid up insurance; or
- Surrender the policy for its current cash value.

Donors may designate YouthBridge as a beneficiary of a life insurance policy.

7. Commercial Annuity

Donors may designate YouthBridge as a beneficiary of a commercial annuity.

8. Retirement Assets

Donors may designate YouthBridge as a beneficiary on certain account type retirement plans in which a balance accumulates as principle. These include Individual Retirement Accounts (IRA), 401(k), 403(b), and defined contribution plans.

9. Oil, Gas and Mineral Interest

The Board of Directors may approve a gift of oil, gas, or mineral interest based on a recommendation by the Executive Committee. Criteria for accepting this type of property include:

- Whether the property involves extended liabilities or other considerations that make receipt inappropriate;
- Whether the interest to be accepted is a working interest; working interests should only be accepted where a plan exists to minimize potential liability and tax consequences;
- Whether an environmental review disclosed any potential environmental issues;
- What the carrying, administrative and disposition costs are.

A completed IRS Form 8283 (“Noncash Charitable Contributions”) must accompany gifts of oil, gas, and mineral interests.

10. Royalties, Distribution Rights

The Board of Directors, upon recommendation of the Executive Committee, may accept gifts of royalties or distribution rights on published works where there is clear evidence of marketability or assurance of an income stream. A qualified appraisal is required and a completed IRS Form 8283 (“Noncash Charitable Contributions”) must accompany the gift.

V. Deferred Gifts

YouthBridge’s planned giving program encompasses all forms of gifts the benefits of which (1) do not fully accrue to YouthBridge until some future time, or (2) are followed by the interests of non-charitable beneficiaries.

Donors using planned gift techniques may add to or establish any of the fund types listed above. Will, trust, or other documents should specify YouthBridge Community Foundation as the charitable recipient and name the fund to which the donor’s gift will contribute. The type of fund and purpose of the fund may be described in detail in a separate fund agreement.

1. Bequests

Bequests may be from a will or trust and may be specific or contingent in nature. A bequest to YouthBridge should include the following:

- The name of YouthBridge Community Foundation (EIN # 43-6064111), a Missouri nonprofit corporation located at 12977 N. Forty Drive, Suite 368, Saint Louis, Missouri 63141;
- The name of the fund to which the bequest is made. In the case of a new fund, YouthBridge will, upon notification that the bequest has been included in a will or trust, prepare a fund agreement defining the purpose for which the fund has been created.

2. Charitable Remainder Trusts

YouthBridge may accept designation as charitable beneficiary of charitable remainder trusts.

Upon approval of the Executive Committee, YouthBridge may serve as trustee of a charitable remainder trust provided the following:

- At least 50% of the remainder interest in the trust is irrevocably dedicated to YouthBridge;
- YouthBridge serves as the sole trustee;
- YouthBridge’s investment authority is unrestricted;

- All costs are charged to the trust including expenses for investment management, administration, legal counsel and tax return preparation.

When YouthBridge does not serve as trustee of charitable remainder trusts, it will ask donors to provide a copy of the trust document and annual investment reports for record keeping purposes.

3. Charitable Lead Trusts

YouthBridge may accept a designation as income beneficiary of a charitable lead trust. YouthBridge will not serve as trustee of a charitable lead trust.

4. Charitable Gift Annuities

YouthBridge may offer charitable gift annuities (CGAs) to donors resident in select states under the following guidelines:

- The minimum gift for funding a CGA is \$10,000. The maximum funding amount per CGA is \$250,000. CGAs with a larger funding amount require Board of Directors approval.
- At least 20% of the gift annuity remainder (10% in case of a Select Planned Giving Partner) must benefit YouthBridge;
- The payout rate shall not exceed the American Council on Gift Annuities (ACGA) recommended rate;
- Generally, gift assets are limited to liquid assets such as cash and securities for which a ready market exists. Illiquid gift assets such as real property and closely held stock must be approved by the YouthBridge Board of Directors;
- The payout for CGAs will generally begin when the donor is at age 60 or older; in the case of two successive life beneficiaries, the younger of the two must be at least 60;
- Agreements may provide for payments to no more than two successive life beneficiaries;
- YouthBridge may establish a CGA reserve fund (CGA Pool). The CGA Pool shall be separate from YouthBridge's endowment pool and subject to the investment policies set by YouthBridge. The assets of the CGA Pool shall serve as self-insurance against losses on individual annuities;
- YouthBridge assumes ultimate responsibility for the risk of all CGAs and may, at its discretion, reinsure any or all annuities.
- CGAs may be charged a reasonable administrative fee and a proportional share of investment costs;
- Generally, annuity payments will be made either annually, semi-annually, or quarterly at the donor's discretion.

5. Gifts of Real Estate with Retained Life Tenancy

YouthBridge, based on the approval of its Board of Directors, will generally accept a remainder interest in real property to the extent an outright gift of the property would have

been accepted. However, the risk, administrative, disposition and other costs of having the future interest must also be examined.

The donor or other occupant may generally continue to occupy the real property for the duration of the stated life. At the death of the donor, YouthBridge may use the property or convert it to cash. There should be a reasonable expectation that the property can be sold within one year after the death of the donor or donor's relinquishment of the property. Where YouthBridge receives a gift of a remainder interest, expenses of maintenance, real estate taxes and any indebtedness are to be paid by the donor or primary beneficiary.

6. Bargain Sales

YouthBridge may enter into a bargain sale arrangement. All bargain sales must be appraised by an independent appraiser with the fee to be paid by the donor. In addition, the asset shall be readily marketable or of a reasonable use to YouthBridge. All Bargain Sales must be approved by the Board of Directors.