

# GIFT ACCEPTANCE POLICY

## INTRODUCTION

The JOE BARTON FAMILY FOUNDATION shall execute no planned giving agreement without the advice of legal counsel. Prospective donors shall be strongly encouraged to seek their own legal and/or tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

To protect the interests of the JOE BARTON FAMILY FOUNDATION (hereinafter referred to as “the FOUNDATION”) and the persons and entities who support its causes, these policies are designed to assure that all gifts to, or for the use of, charitable causes are structured to provide maximum benefit to all parties involved.

The goal of this policy is to encourage giving to the FOUNDATION without encumbering the FOUNDATION with gifts that cost more than benefit the FOUNDATION. The goal is also to avoid gifts that the donor restricts in a manner inconsistent with the goals of the FOUNDATION.

To facilitate the receipts of gifts and bequests, the FOUNDATION must be capable of responding quickly and in the affirmative where possible to all gifts offered by prospective donors. Unless stated otherwise, the Board of Directors intends that these policies apply to all gifts.

### I. Gifts of:

#### A. Cash

1. FOUNDATION will accept gifts in the form of cash and checks regardless of amount, unless: (a) a question exists as to whether the donor has legal title to the asset; or (b) a question exists as to the legal capacity of the donor to transfer funds.

2. Donors shall make all checks payable to JOE BARTON FAMILY FOUNDATION and donors shall never make checks payable to an employee, director, agent, or volunteer with the request for charitable giving credit by the FOUNDATION.

#### B. Publicly Traded Securities

The FOUNDATION may accept publicly traded securities. The donor may anticipate that the FOUNDATION may immediately sell such securities.

#### C. Closely-Held Securities

The FOUNDATION’S Board of Directors may only accept closely held

securities after written approval. The Board of Directors will review these securities using the following criteria:

- There is a readily available market for their disposition.
- Accepting such securities will not create any potential liability to the FOUNDATION.
- The closely held entity engages in no activities that would be inconsistent with FOUNDATION's objectives.

D. Real Property

The Board of Directors must approve in writing all gifts of real estate in advance of accepting the gift.

1. The FOUNDATION may require that a licensed appraiser issue an appraisal of the real estate before acceptance. The licensed appraiser shall not have any business or other relationship with the donor. The costs of the appraisal shall be borne by the donor.
2. The Board of Directors cannot accept any gift of real estate until the Board determines that no environmental waste contaminates the property. The FOUNDATION may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor.
3. In general, residential real estate located within the State of Texas will be accepted, unless the Board of Directors determines for any reason that the property is not suitable for acceptance.
4. Special deliberation shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the FOUNDATION, as well as payments, taxes and insurance that may burden the FOUNDATION's finances.

E. Tangible Personal Property

1. Jewelry, artwork, collections, and other personal property shall not be accepted unless the employee, agent or volunteer working on behalf of the FOUNDATION has reason to believe the property has a value in excess of \$1,000. Such property can only be accepted on behalf of the FOUNDATION by the Board of Directors or such other person or persons authorized to do so by the Board of Directors.
2. No personal property shall be accepted by the FOUNDATION unless there is reason to believe the property can be quickly sold. No personal property

shall be accepted that obligates the FOUNDATION to retain it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior written approval of the Board of Directors.

3. Notwithstanding the forgoing, if there is reason to believe personal property has a value of \$1,000 or more, it may only be accepted after receipt and review by the Board of Directors or those empowered to act on its behalf, after an appraisal that meets the requirements for a charitable contribution deduction under the terms of the Internal Revenue Code governing gifts of personal property.

F. Other Property

Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, may only be accepted by further action of the Board of Directors or persons duly acting on its behalf.

II. Deferred Gifts

A. Bequests

1. The FOUNDATION shall actively encourage gifts through Wills and Living Trusts.
2. In the event of inquiry by a prospective donor, representations as to the acceptability of a bequest to the FOUNDATION shall be made in accordance with this Gift Acceptance Policy only.
3. The FOUNDATION shall at all times retain the right to refuse a gift from an individual or from an estate when it is not in the best interest of the FOUNDATION to accept the gift.
4. When the FOUNDATION is the recipient of a gift from a will or trust, the Board of Directors shall review the restrictions upon the gift and determine if it is in the best interests of the FOUNDATION to accept the gift.
5. The FOUNDATION will not accept a gift that might result in conflict within the FOUNDATION or confusion as to the utilization of the gift or that might create an undue financial burden upon the FOUNDATION.
6. When the FOUNDATION receives an unrestricted estate gift, the Board of Directors, in consultation with the FOUNDATION's Executive Director, shall determine its highest and best use at the time.
7. Since the FOUNDATION has created an Endowment Fund and if

the unrestricted funds are not needed for the ordinary and everyday expenses of the FOUNDATION, unrestricted gifts shall be added to the FOUNDATION's Endowment Fund.

B. Life Estate Gifts

1. Donors shall generally not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.

2. This policy is based upon the possibility that the donor may need to sell the home in the future and find that the value of the life estate is a small portion of the value of the property. Such gifts may be accepted by the Board of Directors when the asset involved appears to be a minor portion of the donor's wealth, and the Board of Directors are satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

C. Gifts of Life Insurance

1. The FOUNDATION will encourage donors to name the FOUNDATION as a beneficiary of all or a portion of a person's life insurance policies.

2. The FOUNDATION will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life.

3. No insurance products may be endorsed for use in funding gifts to the FOUNDATION. In no event shall lists of the FOUNDATION's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or the FOUNDATION. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject the FOUNDATION to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

III. Designated Gifts Establishing Designated Accounts

A. The Board of Directors, with input from the FOUNDATION's Executive Director, will determine what designated accounts may be established.

1. Any donor to the FOUNDATION may request in writing to the Board of Directors the establishment of a designated account. Once an account is established, the FOUNDATION may accept funds into that account.

2. The Board of Directors will determine the length of time the account

shall exist. When that time has passed, the Board of Directors may either extend the time period for expiration of the account or transfer any remaining funds to the general fund.

#### B. Disbursing Designated Funds

1. Designated funds may only be spent for the purpose for which they are designated.

2. If, at any time, the FOUNDATION accepts custody of designated accounts which have not been approved and established by the Board of Directors, and the FOUNDATION does not intend to use the designated funds for the purpose designated, the FOUNDATION will return the monies to the donor or contact the donor for permission to transfer the funds to another fund or another charity chosen by the donor.

IV. Notice to Donors – The FOUNDATION shall include in fund raising, solicitation materials and donor receipts the following statement:

“All donations are subject to the Gift Acceptance Policy. The FOUNDATION will treat the donor’s designations as suggestions unless the Board of Directors has approved of the designations before receiving the gift. Copies of the policy are available in the Business Office or at <http://www.joebartonfamilyfoundation.org/>.”

#### V. Finders Fees and Commissions

No finder’s fee or commission shall be paid to anyone as consideration for directing a gift to the FOUNDATION.