



**Gift Acceptance Policy  
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## **I. Purpose and Scope of Policies and Guidelines**

### **Purpose**

The purpose of this gift acceptance policy is to advance the mission of the Greater Milwaukee Foundation and its supporting organizations (the Foundation) to inspire philanthropy, serve donors, and strengthen communities both now and for future generations. By providing guidelines for negotiating and accepting various types of gifts for different types of funds, this policy is designed to provide guidance to Foundation representatives and donors so as to facilitate the gift giving process. This policy is established to assure that each gift to the Foundation is structured to provide maximum benefits to the community, the donor, the Foundation and the beneficiaries of the Foundation's charitable programs and activities.

### **Scope**

This policy addresses both current and deferred gifts, with an emphasis on specific types of deferred gifts and gifts of non-cash property.

**Notwithstanding anything in the policy to the contrary, the Foundation reserves the right to waive any requirements herein with respect to acceptance of specific gifts**

## **II. Use of Professional Advisers**

The Foundation shall seek the advice of legal and financial counsel in matters relating to acceptance of gifts when appropriate. All legal documents relating to the development program shall be reviewed by the Foundation's legal counsel prior to execution or use, with the exception of standard form documents described below unless the President & CEO, Vice President and Chief Financial Officer, and the Vice President of Development and Philanthropic Services determine that the modifications to the standard form documents raise no legal or policy concerns. Review by counsel is recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Documents naming the Foundation as Trustee
- c. Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation
- d. Transactions with potential conflict of interest that may invoke IRS sanctions
- e. Other instances in which use of counsel is deemed appropriate

## **III. Ethical Standards in Dealing with Donors/Conflict of Interest**

The Foundation is committed to the highest ethical standards of philanthropy and development. In all transactions between potential donors and the Foundation, the Foundation will seek to provide accurate information and full disclosure of the benefits and liabilities that could influence

a donor's decision, including with respect to the Foundation's fees, the irrevocability of a gift, prohibitions on donor restrictions, items that are subject to variability (such as market value, investment return, and income yield), the Foundation's responsibility to provide periodic financial statements with regard to donor funds, and investment policies and other information needed by donors to make an informed choice about using the Foundation as a vehicle of charitable gifts. 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. In carrying out the Foundation's mission, staff will recognize and acknowledge donors in appropriate ways, both publicly and privately, subject to the Foundation's Policy on Confidentiality. Donors reserve the right to determine the degree and type of recognition they prefer and the Foundation respects the confidentiality of donors who do not wish to be publicly recognized.

The Foundation will urge all donors to seek the assistance of personal legal and financial advisers in matters relating to their gifts and the resulting tax and estate planning consequences before signing any gift agreement. The donor shall be advised that it is the donor's responsibility to obtain any necessary appraisals, file appropriate tax returns, and defend against any challenges to claims for tax benefits. The Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, and the Donor Bill of Rights shown as attachments to this document.

#### **IV. Restrictions on Gifts and Consultations**

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission, purposes, and priorities. The Foundation will not accept: gifts that are too restrictive in purpose; those that violate the term of the corporate charter; gifts that are too difficult to administer; or gifts that are for purposes outside the mission of the Foundation. The Senior Director of Gift Planning will generally be responsible for coordinating the efforts of appropriate departments in the consideration of all gifts. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made in consultation with the Gift Acceptance Committee (GAC), which is comprised of the appropriate designees from the Board of Directors, Development and Philanthropic Services, and Administration and Finance. These designees are:

- Chair of the Investment Committee
- Vice President and Chief Financial Officer
- Vice President, Development and Philanthropic Services



The Senior Director of Gift Planning and Senior Investment Officer will bring forth any requests to the GAC. The GAC members are charged with the responsibility of receiving all gifts made to the Foundation, properly screening and accepting those gifts, and making recommendations on gift acceptance issues and changes when appropriate. The GAC will consult with, and present a recommendation to, the President & CEO and the Chair of the Board of Directors for acceptance or denial. The GAC shall review this policy bi-annually. Where the gift acceptance policy fails to address an issue or gift type, the GAC shall have the discretion to fulfill its duties as described above without first amending the policy.

## **V. Types of Gifts**

The Foundation accepts both current and deferred gifts, including various types of gifts resulting from specific bequests. Such bequests will not be recorded as gifts to the Foundation 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. The Foundation will not accept appointment as Executor or Trustee of a will or trust under any circumstances.

### **A. The following gifts are acceptable:**

1. Cash
2. Securities
3. Cryptocurrency
4. Tangible Personal Property
5. Real Estate
6. Remainder Interests in Property
7. Oil, Gas and Mineral Interests
8. Patents, Copyrights, Royalties
9. Bargain Sales
10. Life Insurance
11. Charitable Gift Annuities
12. Charitable Remainder Trusts

13. Charitable Lead Trusts

14. Gifts from other Charitable Organizations

**B. The following criteria govern the acceptance of each gift form. Cash and securities are classified as liquid assets. All other assets are classified as illiquid assets:**

1. **Cash:** Any of the Foundation's officers or employees designated by the Foundation's Gift Acceptance Committee may accept, for and on the Foundation's behalf, any form of cash. Checks shall be made payable to The Greater Milwaukee Foundation, Inc. and shall be delivered or sent to:

**The Greater Milwaukee Foundation**  
**101 W. Pleasant Street, Suite 210**  
**Milwaukee, WI 53212**

2. **Securities:** Publicly Traded Securities shall be accepted on the Foundation's behalf by any of the Foundation's officers or employees designated by the Foundation's Gift Acceptance Committee per the guidelines below. Closely held securities may be accepted subject to approval by the Gift Acceptance Committee and the guidelines described below.

**Publicly Traded Securities:** Marketable securities may be transferred electronically 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 Administration and Finance Department in conjunction with the Investment Committee. In some cases marketable securities may be restricted by applicable security laws; in such instance the final determination on the acceptance of the restricted securities shall be made in conjunction with the Gift Acceptance Committee.

**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 ownership forms, can be accepted subject to the approval of the Gift Acceptance Committee. 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.
- The security will not generate any undesirable tax consequences for the Foundation. Generally, the Foundation will not accept gifts of shares or other interests in a business to a donor advised fund which would constitute excess business holdings under the Pension Protection Act of 2006 amended section 4943 of the Internal Revenue Code. A fund's holdings, together with the holdings of disqualified persons (donor, adviser, 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. This policy applies only to gifts made to donor advised funds.

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 in conjunction with the Gift Acceptance Committee when necessary. Every effort will be made to sell non-marketable securities as quickly as possible. See also Attachment 3b, Guidelines for Gifts of Closely Held Property.

3. **Cryptocurrency:** The organization may accept gifts of cryptocurrency and other forms of digital assets after due diligence is performed to determine that the asset is able to be transferred and liquidated.
4. **Tangible Personal Property:** Tangible personal property such as artwork, jewelry and collectibles and 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 in conjunction with the Gift Acceptance Committee.

See also Attachment 3, Associated Policies and Procedures for gifts in kind.

5. **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 may require an initial environmental review of the property to ensure that the property has no environmental damage. The Foundation reserves the right to retain a qualified inspection firm to conduct an environmental audit 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 Gift Acceptance Committee. 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 environmental audit reflect that the property is not damaged?

See also Attachments 3b-3e.

6. **Remainder Interests in Property:** The Foundation may 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 sell it. 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.



7. **Oil, Gas and Mineral Interests:** The Foundation may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Gift Acceptance Committee. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- Gifts of oil, gas, and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.

A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.

8. **Patents, Copyrights, Royalties:** Intellectual property rights, including royalties, patents, copyrights, contract rights or other similar interests must be approved by the Gift Acceptance Committee. Criteria to be examined in order to evaluate accepting the property include:

- The ownership of the intellectual property right is able to be clearly transferred or assigned to GMF.
- The intellectual property right should generally be a full interest.
- The intellectual property right should have the potential to generate at least \$5,000 or more annually.
- Whether or not a market for the sale or licensing of the intellectual property right exists.
- Potential costs associated with acceptance of the intellectual property right, including examination of any claims, liens or other contests associated with the property that may require a defense.
- Any restrictions on the retention or use of the property.

- Required agreements or other legal documents needed by GMF to obtain patents, market the property, or grant licenses in the name of GMF.

9. **Bargain Sales:** A bargain sale is an agreement in which the donor sells securities, real estate, tangible personal property, or other assets to the Foundation for less than their current value. The Foundation will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Foundation. All bargain sales must be reviewed and approved by the Gift Acceptance Committee. Factors used in determining the appropriateness of the transaction include:

- Obtaining an independent appraisal substantiating the value of the property.
- A determination that the Foundation will use the property or that there is a market for sale of the property allowing sale within 12 months of receipt.
- A calculation of the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

The Foundation generally will not accept property encumbered by any associated debt.

10. **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 is valued at its interpolated terminal reserve value (a method by which a life insurance policy is valued), 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

11. **Charitable Gift Annuities:** The Foundation offers charitable gift annuities. The minimum gift for funding is \$20,000. The Foundation may make exceptions to this minimum. The minimum age for life income beneficiaries shall be 65 years old. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be

55 years old with payments starting at 65. No more than two life income beneficiaries will be permitted for any gift annuity. Annuity payments are generally made on a quarterly basis.

The Foundation will accept cash or publicly traded securities in exchange for charitable gift annuities. The Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current or deferred charitable gift annuities. The Foundation reinsures charitable gift annuities with various insurance companies. Through reinsuring, the Foundation pays the insurance company an actuarially-determined amount of premium. Any difference between the amount received from the donor and the premium paid to the insurance company shall be recorded as a contribution to a specific fund designated by the donor.

The Foundation will abide by the interest rates recommended by the American Council on Gift Annuities for charities and their donors.

**12. Charitable Remainder Trusts:** The Foundation may accept designation as remainder beneficiary of a charitable remainder trust. The Foundation will not accept appointment as Trustee of a charitable remainder trust.

**13. Charitable Lead Trusts:** The Foundation may accept a designation as income beneficiary of a charitable lead trust. The Foundation will not accept an appointment as Trustee of a charitable lead trust.

**14. Gifts from Other Charitable Organizations:**

**Donor Advised Funds:** The Foundation may accept funds from a donor advised fund at another organization, including commercial funds such as Fidelity, Schwab, and Vanguard. Due to IRS regulations, the Foundation cannot accept funds from a donor advised fund to fund tuition or to benefit a specific person.

**Conversions from Private Foundations:** The Foundation may accept funds from the partial or complete termination of a private foundation. It is important to have a full understanding of the donor's planned gift to avoid jeopardizing the Foundation's public charity tax-exempt status. Therefore, consultation with legal and tax advisers may be necessary before accepting funds from a private foundation.

**Additional Considerations for the Acceptance of Illiquid Assets:** In connection with the acceptance of many types of illiquid assets, the Foundation may incur costs such as unrelated business income tax, fees or commissions associated with the sale or liquidation



of assets, asset management and holding costs, consultant fees or other expenses outside the normal scope of the Foundation's administrative costs. Accordingly, as a condition of the Foundation's acceptance of the gift, the Foundation may require a pledge or other written agreement between the donor and the Foundation that provides for the payment of all or a portion of any such costs or expenses, including unrelated business income taxes, to the extent there is insufficient cash in the donor's fund to which the asset(s) have been donated to cover such costs.

## VI. General Gift Guidelines

- A. Governing Documents:** All funds shall be accepted subject to the variance power and other provisions set forth in the Foundation's governing documents (Declaration of Trust in the case of the Greater Milwaukee Foundation Trust and Articles of Incorporation and Bylaws in the case of the Greater Milwaukee Foundation, Inc.). If a gift instrument does not specify a trustee bank, the gift proceeds shall be added to the Greater Milwaukee Foundation, Inc. If a gift does not specify an investment vehicle, the gift proceeds shall be invested in the GMF Investment Pool.
- B. Variance Power:** As set forth by the Foundation's Declaration of Trust, the Foundation's Board has the power and the duty to modify direction, restriction or condition of any fund if in the sole judgement of the Board such direction, restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the Foundation's charitable purposes or distribution policies. An example of this would be a charitable organization designated to receive distributions from a fund ceases to exist or loses its charitable standing with the Internal Revenue Service. The Foundation can address these situations through its variance power. Refer to the Foundation's Declaration of Trust, Article III-Donors' Gifts and Directions for complete language.
- C. Minimum Fund Amount:** The minimum amount to establish a named, unitized fund at the Foundation must be approved by the Foundation's Board. A \$25,000 minimum is required to create an unrestricted fund, a donor advised fund, a scholarship fund, a designated fund or a field of interest fund. The minimum for agency endowment funds is \$100,000. Funds may be built up to the requisite minimum through the Acorn Fund option. Generally, no grants will be distributed from a fund until it has reached the required minimum. For supporting organizations, the minimum establishing contribution is \$1 million. To qualify as a supporting organization, a majority of the board members of the supporting



organization must be appointed by the Greater Milwaukee Foundation's Board. The board of the supporting organization may select an investment manager other than one authorized to serve in this capacity for the Foundation. See Attachment 2 for a listing of fund types offered by the Foundation.

- D. Distribution Policy/Spending Policy:** The Foundation's spending policy determines how much money is available each year to make grants without invading fund principal. The spending policy ensures that funds generate money to spend on grants each year providing a consistent flow of grants through all market cycles. The current annual spending rate is 4.75% of market value averaged over the preceding five years. This rate is based on historical market returns and the goal of growing the principal balance at or above the inflation rate. For further information see the Foundation's Statement of Investment Policy.
- E. Excess Distributions/Access to Principal:** Distributions in excess of those authorized by the Foundation's spending policy are permitted as long as a fund maintains a minimum balance in accordance with the minimum fund amount approved by the Board and the gift agreement provides for such distributions. Otherwise, the Foundation's approved spending policy shall apply. In the case of agency endowment funds, excess distributions or access to principal will only be considered if the gift agreement specifies that the agency's board may recommend additional distribution. The gift agreement should also specify the percentage of board members required to approve such a recommendation.
- F. Donor Control:** No fund will be accepted, after review by the Foundation's legal counsel, if there is good reason to question whether the restrictions desired by the donor will jeopardize the classification of the fund as a component fund of the Foundation rather than as a separate private foundation. Among other things, a fund's treatment as a component of the Foundation may be jeopardized if, pursuant to the gift agreement or otherwise, the Foundation is required (i) to assume leases, mortgages or other obligations or liabilities, (ii) to retain any asset transferred to it, (iii) to grant first refusal rights in connection with the disposition of any transferred asset, (iv) to maintain relationships with particular investment advisers, banks, brokerage firms, investment counselors, etc., or (v) to take or withhold any action inconsistent with the Foundation's charitable purposes or which would prevent the Foundation from exercising ultimate control over any transferred asset.

- G. Duration of Advice:** Donor advised funds provide an opportunity for the original donor establishing such a fund to decide who will serve as adviser(s) to the fund. Fund founders may name any living individual(s) to serve as initial adviser(s). For funds of \$250,000 or less in principal assets, the fund founder(s) may name one succeeding generation of family members as defined by him/her to serve as advisers. If such a fund is established upon the donor's death, then the fund founder(s) may name up to two generations of family members to serve as successor advisers. For funds with more than \$250,000, but less than \$1,000,000 in principal assets, the fund founder(s) may name two succeeding generations of family members as defined by him/her to serve as advisers. If such a fund is established upon the donor's death, then the fund founder(s) may name up to three generations of family members to serve as successor advisers. For funds with more than \$1,000,000 in principal assets, there is no limit on the duration of family involvement as defined by the fund founder(s). If multiple advisers (two or more) are named, the fund agreement, or in a separate memorandum of understanding signed by the donor if living or by the advisers to the fund if not, shall specify a mechanism for conveying the group decisions to the Foundation. **Note:** If the fund is established at a donor's death, the donor may select initial advisers as long as those initial advisers are living at the time the gift agreement is written and thereafter any next generation successor advisers must be donor's family members.
- H. Selection of Investment Manager:** Donors may recommend, but not direct, which of the authorized investment managers used by the Foundation should invest the assets (or the net proceeds, after sale) contributed by the donor. Donors may request a change of investment manager from time to time, subject to approval by the Foundation board.
- I. Pass-through Funds:** The Foundation will accept pass-through funds on a case-by-case basis. Pass-through arrangements are instances in which a donor makes a gift to the Foundation but directs the funds to go directly to another nonprofit.
- J. Fundraising Activity:** The Foundation will review any requests by advisers to perform fundraising activity in consultation with the Vice President and Chief Financial Officer and the Vice President of Development and Philanthropic Services. See also Attachment 2f.
- K. Pooled Income Fund:** The Foundation sponsors two pooled income funds. The minimum gift size is \$5,000. Upon the death of the life income beneficiary(ies) and



the transfer of the remaining principal to the Foundation, the minimum fund size described in VI B. will apply. If the remainder interest is not of adequate size, it will be treated as an Acorn Fund until it reaches the required minimum size to establish a named fund or pooled into a general fund at the Foundation's discretion.

- L. Retirement Plan Beneficiary Designations:** Donors to the Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Foundation 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.
- M. Geographic Focus:** While donors are encouraged to establish funds which primarily benefit the inhabitants of Milwaukee, Waukesha, Ozaukee and Washington counties, up to 100% of the grant dollars distributed from a designated, field of interest or donor advised fund may be distributed to nonprofit organizations outside of this four-county area.
- N. Gift Expenses:** All expenses associated with making a gift (such as the cost of an appraisal, legal and accounting expenses, the cost of a phase one environmental report, and the like) shall be paid for by the donor. Expenses incurred by the Foundation in accepting a gift, such as legal expenses, shall be charged against the fund when established.
- O. Administrative Fees:** The Board-approved administrative fee schedule will apply to all funds except in those instances where the Gift Acceptance Committee approves a different fee.

## **VII. Miscellaneous Provisions**

- A. Donor Protections:** Foundation Board, staff, and contracted consultants will always consider the interests of donors as the first priority in planned gifts. A donor shall not be encouraged to make a gift that is inappropriate, in light of the donor's personal or financial situation or the donor's known philanthropic interests.
- B. Confidentiality of Information:** Information obtained by any representative of the Foundation about a donor or the donor's assets or philanthropic intentions shall be held in strict confidence by the Board, staff, and contracted consultants. Donors will be encouraged to notify the Foundation of their planned gifts and all such

information shall be kept confidential unless permission is obtained from the donor. Once a gift is realized or received, it is Foundation policy to publish a donor name unless a donor opts for confidentiality. The Foundation's Confidentiality Policy is available on the Foundation's website, or a copy can be provided by request.

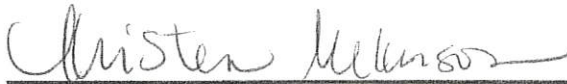
- C. Standard Form Documents:** For administrative ease and convenience, the Foundation will develop standard forms of fund agreements and other documents relating to the Foundation's development program as deemed appropriate. All such standard forms may be reviewed by legal counsel and approved by the Development and Philanthropic Services Committee. The Foundation will provide standard forms to a prospective donor and the donor's advisers upon request and encourage their use whenever practicable. In the case of supporting organizations, the organization's articles and bylaws will be reviewed by members of the Gift Acceptance Committee prior to submission of application to the IRS.
- D. Securing appraisals and legal fees for gifts to the Foundation:** 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.
- E. Valuation of gifts for development purposes:** The Foundation will record a gift and its valuation for gift purposes on the date of gift.
- F. Responsibility for IRS filings upon sale of gift items:** The Finance Department is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset.
- G. Acknowledgement of gifts:** All gifts made to the Foundation need to be acknowledged and compliant with current IRS requirements. Acknowledgement of such gifts shall be the responsibility of the Development and Philanthropic Services Department. IRS publication 561, Determining the Value of Donated Property, and IRS publication 526, Charitable Contributions, are to be referenced for compliance purposes.
- H. Supporting Organizations:** All supporting organizations established under the Foundation will adhere to the policies described within this document unless specifically exempted by the Board of Directors of the Foundation.



**VIII. Changes to Gift Acceptance Policies**

These policies and guidelines have been reviewed and accepted by Development and Philanthropic Services, the Finance Department and the Development and Philanthropic Services Committee of the Greater Milwaukee Foundation.

Approved on the 4<sup>th</sup> day of December, 2019.



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Vice President, Development and Philanthropic Services, Greater Milwaukee Foundation



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Vice President and Chief Financial Officer, Greater Milwaukee Foundation



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Chair, Development and Philanthropic Services Committee, Greater Milwaukee Foundation

Prior Policy Amendments:

March 28, 2001  
September 20, 2001  
September 19, 2002  
August 7, 2003  
September 11, 2003  
June 23, 2005  
April 8, 2008  
April 9, 2009  
June 15, 2010  
September 15, 2010  
December 4, 2012 (Updated logo and staff title changes only)  
September 4, 2014 (Updated staff title change only)  
September 14, 2016  
December 4, 2019

## Model Standards of Practice for the Charitable Gift Planner

### Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

### I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

### II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

### III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

### IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

## **V. Competence and Professionalism**

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

## **VI. Consultation with Independent Advisers**

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

## **VII. Consultation with Charities**

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to ensure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

## **VIII. Description and Representation of Gift**

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

## **IX. Full Compliance**

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

## **X. Public Trust**

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

*Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.*





PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

## A DONOR BILL OF RIGHTS

### I

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

### II

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

### III

To have access to the organization's most recent financial statements.

### IV

To be assured their gifts will be used for the purposes for which they were given.

### V

To receive appropriate acknowledgement and recognition.

### VI

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

### VII

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

### VIII

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

### IX

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

### X

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

DEVELOPED BY:

Association of Fundraising Professionals (AFP); Association for Healthcare Philanthropy (AHP); Council for Advancement and Support of Education (CASE); and Giving Institute: Leading Consultants to Non-Profits.

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**Associate Policies and Procedures**

**Sale of Assets:** Gifts in kind will be sold as soon as practical and the net proceeds reinvested in a manner consistent with the Foundation's investment policies.

**Unrestricted Contributions not for a Named Fund:** Any contributions made for general administrative costs of the Foundation or otherwise unspecified contributions less than \$25,000 shall be added to the Greater Milwaukee Foundation Administrative Special Projects Fund (formerly the Community Engagement Fund, formerly the Leadership Fund) to help build this permanent fund to defray the Foundation's operating expenses to support the Foundation's mission activity. Gifts of these same criteria equal to or over \$25,000 shall be added to the Community Grants Fund (or its successor fund), to support the Greater Milwaukee Area, as defined by the area the Foundation serves. These gifts will be added to the endowed portion of said fund and distributions shall be made in amounts that are in accordance with the Foundation's distribution policy as in effect from time to time; however, the Foundation's Board of Directors shall have the right to approve distributions greater than those set by the distribution policy as need or opportunity necessitates greater dollars.

**Authority for Negotiation:** The President & CEO, Vice President and Chief Financial Officer, Vice President of Development and Philanthropic Services, and Senior Director of Gift Planning are authorized to negotiate planned gift agreements with prospective donors. The President may also delegate authority to other development staff with the approval of the Board Chair.

**Authority for Approval:** The President & CEO (and in her absence the Vice President and Chief Financial Officer or Vice President of Development and Philanthropic Services) is authorized to accept all gifts on behalf of the Foundation unless one or more of the following circumstances apply:

- (1) The property that is the subject of the gift is not cash, marketable securities, or other readily marketable assets. The Gift Acceptance Committee will review all gifts of real estate, closely held securities, tangible personal property or other gifts of assets which are not readily marketable or which would require unusual insurance, custodial, preservation or other carrying costs;
- (2) The gift includes a restriction or suggestion regarding the Foundation's use of funds that would raise legal, ethical, policy or practical concerns for the Foundation;
- (3) The gift is equal to or greater than \$25,000 and is a contribution for general administrative costs of the Foundation or an otherwise unspecified contribution; or
- (4) In the judgment of the President, there are other risks or concerns that should be reviewed by the Gift Acceptance Committee.

In every case, efforts will be made to reach and inform all gift acceptance committee members listed above. If at least three of the board members and three of the staff members listed above are reached, the gift or bequest referred for their review shall be accepted or declined and reported to the full Board of Directors at its next regular meeting. If all members of the Gift Acceptance Committee who are reached are not unanimous in their belief that a gift or bequest should or should not be accepted, the issues shall be referred to the full Board for consideration at its next regular meeting.

The Chair of the Board (or in his or her absence, the Vice Chair) may, in an emergency or for other good reason, modify the procedure set forth in this policy for a particular gift or bequest, but shall do so only after reasonable consultation with the other members of the Gift Acceptance Committee who are available and shall report the modification to the full Board at its next regular meeting.



## Fund Types

The Foundation offers several different types of funds. These include:

- Unrestricted Funds: Gifts to these funds help the Foundation help our community. The Foundation makes distributions to support effective work of charitable organizations throughout the area we serve.
- Field of Interest Funds: These funds support a charitable purpose designated by the fund's donor or donors. Distributions are determined by the Foundation consistent with the fund's purposes. Where appropriate, the Foundation may create an advisory committee to make recommendations for distributions.
- Designated Funds: These funds support a charitable organization designated by the fund's donor or donors. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund.
- Agency Endowments: These funds are created by charitable organizations that designate themselves as the fund's beneficiary. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund.
- Scholarship Funds: These funds provide financial assistance to students at schools, colleges, and universities. Scholarship funds can also support vocational training and assistance in paying for special courses. Donors recommend eligibility criteria and may serve on selection committees.
- Donor Advised Funds: Donors recommend grants to charitable organizations.

## Guidelines for Accepting and Holding Gifts of Closely Held Business Interests

### General Guidelines:

Gifts of interests in partnerships, limited liability companies, patents or copyrights, stock in closely held corporations and other closely held or illiquid business interests will be evaluated on a case-by-case basis and will be subject to approval by the Gift Acceptance Committee. Gifts of general partnership interests or other interests which may subject the Foundation to liabilities or require capital contributions will ordinarily not be accepted.

Sometimes donors will be interested in giving closely held stock or other business interests to the Foundation even if the business is not likely to be sold. Typically, the donor contributes shares of stock/interests to a component fund in the Foundation and the stock/interest is later sold for cash by the Foundation. In such instances, the Foundation will not guarantee or pre-arrange such sale or make any other agreement that might imply or cause a material restriction to be imposed upon the contribution.

As a general rule, gifts of securities are sold as soon as possible, usually on the same day as the gift. The fund that the donor established is then credited with the proceeds from the sale, after commissions and expenses, if any. In the case of gifts of stock or business interests of closely held corporations that are not readily marketable at the time of the gift, it should reasonably appear that the stock or business interest will be sold or converted into income-producing property within a specific time frame, not to exceed three to five years. Treasury Regulations require that the Foundation assure that its funds produce a reasonable rate of return. This can be particularly important for property held in designated funds, because while this requirement is applied based on the aggregate performance of most funds, it is made on a fund-by-fund basis for designated funds. (Treas. Reg. Section 1.170A-9(e)(11)(v)(F) and 1.170A-9(e)(13)(x).)

Since gifts of S Corporation shares and interests in partnerships, limited liability companies or other "pass-through" entities may subject the Foundation to tax on unrelated business income, such gifts will ordinarily not be accepted in the absence of a tax distribution agreement or other appropriate arrangement to fully fund any tax liability resulting from the Foundation's ownership of the gifted interest. Generally, the Foundation will not accept gifts of shares or other interests in a business to a donor advised fund which would constitute excess business holdings under the Pension Protection Act of 2006 amended section 4943 of the Internal Revenue Code. A donor advised fund's holdings, together with the holdings of disqualified persons (donor, adviser, 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.

### **Responsibilities of the Donor:**

The donor will be responsible for obtaining a qualified appraisal complying with IRS regulations for the purposes of establishing the value of the gift for federal income tax purposes, including the preparation of Form 8283 ("Noncash Charitable Contributions") (Treas. Reg 1.170A-13(a).)

It is the donor's responsibility to prepare the appropriate instruments that are necessary to transfer the stock or business interest to the Foundation. All proposed transfer instruments must be reviewed by the Foundation's legal counsel prior to acceptance by the Foundation.

There should be adequate assurance that the affected fund will have adequate cash to pay administrative fees and other direct costs, either from the investment itself or from further contributions from the donor. All paid dividends will be used to offset all or a portion of the fee or expenses charged to the account.

The Foundation's legal counsel shall review any shareholder, buy-sell, or other agreements that impose any restrictions or limitations upon the sale or transfer of the stock or business interest.

### **Procedures for Accepting Closely Held Stock and Business Interests:**

After the requirements of this Policy and Procedure have been satisfied, the Gift Acceptance Committee will have the authority to accept or refuse a gift of closely held stock or other business interests.

The Gift Acceptance Committee may refuse any offered gift of closely held stock or other business interests that is judged not to be in the best interests of the Foundation.

The Gift Acceptance Committee will evaluate gifts that are covered by this policy to determine whether they should be made to Greater Milwaukee Foundation Holdings, Inc., a supporting organization established to hold unusual gifts, based upon the potential risks and liabilities which may be associated with the gift.

The Foundation will generally assess an administrative fee of 2-5% of the proceeds of the gift, depending on the complexity of the liquidation and the risks associated with the gift. Once established, the fund will also be subject to the Foundation's normal administrative fee schedule.



Prior to or upon transfer of the stock or business interest to the Foundation, the donor and the Foundation will sign an agreement (approved by legal counsel) stating the terms of the gift, which shall specify that there are no restrictions on the Foundation's right to use or convey the property.

In negotiating the sale of closely held stocks or other business interests, a fair market value (price per share) will be established at the time of sale. No warranty is given by the Foundation that the valuation will be acceptable to the IRS. In some cases, the Foundation may obtain an independent appraisal of the value of the stock or business interest prior to agreeing to a proposed sale of the stock or business interest.

In addition, the donor will be advised that if the property listed on IRS Form 8283 is sold, liquidated, or otherwise disposed of within two years of receipt, the Foundation is required to file a separate report within 125 days with the IRS on IRS Form 8282 ("Donee Information Return") and disclose facts about the disposition. (Treas. Reg. 1.6050L-1.)

**Limitations:**

Except in extraordinary circumstances, the Foundation will not pay for legal assistance, appraisals or other services on behalf of the donor. The Foundation will charge the eventual fund its costs associated with accepting the business interest (for example, but not limited to, unrelated business income and attorney fees), upon assurance from the donor that there will be enough in the fund to pay these costs. Otherwise, the donor must agree to contribute additional cash to the fund to pay such costs.

The Foundation will not establish or corroborate the value of any property for the purpose of substantiating the donor's income tax charitable deduction.

In many cases, upon the subsequent sale of closely held stock, there will be a stock purchase agreement setting forth the proposed terms and conditions of sale. The Foundation cannot join in or participate in the issuance of warranties and representations and in indemnification agreements.

### Guidelines for Gifts of Real Property

1. Before accepting a gift of real property, the Foundation's Gift Acceptance Committee will review the proposed gift and make a preliminary determination of its suitability and marketability. The Foundation will not ordinarily accept gifts of real property unless they are readily marketable in a relatively short time frame.
2. It will be donor's responsibility to obtain and pay for any appraisals required to substantiate any income tax deduction taken for a gift of real property to the Foundation. It shall also be the donor's responsibility to prepare and file Form 8283 and any other tax form required in connection with the gift. The Foundation will acknowledge receipt of the gift in the appropriate position on Form 8283 and will also, as required by applicable tax regulations, file Form 8282 if it disposes of the real estate within two years after the gift. The Foundation will ordinarily value real property gifts in its records based upon the appraisal obtained by the donor for tax purposes, but in some cases the Foundation may require a second appraisal. In most cases, however, a single appraisal, paid for by the donor, will be adequate.
3. The Foundation will not ordinarily accept real estate that is subject to a mortgage or other encumbrance. It will also not ordinarily accept real estate which is subject to any lease or assume any management contract or other obligation of the donor in connection with the property.
4. The Foundation will need to determine that there are no zoning or other restrictions, easements, liens or encumbrances which may affect the marketability of the property. The Foundation will also need to be assured that there is no liability exposure because of building code violations, toxic or hazardous waste, environmental contamination, or dangerous or unsafe conditions on the property. In order to evaluate such matters, the Foundation will ordinarily require a physical inspection and title report concerning the property, as well as a "phase I" environmental audit. The Gift Acceptance Committee may recommend further environmental review or property inspections by qualified experts prior to final acceptance of any real estate gift.

Gifts of real property will generally be accepted into Greater Milwaukee Foundation Holdings, Inc., a supporting organization established to hold unusual gifts. Such gifts will be liquidated in the supporting organization and proceeds will be used to establish or add to a Greater Milwaukee Foundation permanent fund.

5. Before accepting any real property gift, the Foundation and the donor must agree in writing on an arrangement for paying expenses associated with the property, such as broker's fees (if any), taxes and assessments, appraisal fees, transfer fees, environmental evaluations,

insurance coverage, title reports, and inspection and maintenance costs. Generally, the Foundation will not make advances for the payment of such expenses.

6. Any expenses associated with holding, maintaining and selling property accepted by the Foundation not paid by the donor will be paid from the proceeds realized from sale of the property, and the donor's fund in the Foundation will be credited with the net proceeds after deducting such expenses. In addition, the Foundation will assess an administrative fee of up to 5% to cover the costs of staff time involved in holding and selling the property. After the property is liquidated and a permanent fund is established, the Foundation's regular administrative fee schedule will apply.
7. Tangible personal property associated with real property will be considered separately and may be the subject of one or more separate gift proposals, if appropriate.



Greater Milwaukee Foundation  
Gift of Real Estate  
Gift Acceptance Checklist

Form of gift: \_\_\_ Outright \_\_\_ Retained Life Interest \_\_\_ Bargain Sale  
\_\_\_ Testamentary

Name of Donor(s): \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_

Form of ownership: \_\_\_ Sole \_\_\_ Joint/Survivor \_\_\_ Undivided/Ten. In Common

Location of Property: \_\_\_\_\_

Purchase Date: \_\_\_\_\_ Cost basis (including improvements): \_\_\_\_\_

Legal description in file: \_\_\_\_\_

Type of Property: \_\_\_ Residential \_\_\_ Commercial \_\_\_ Undeveloped \_\_\_ Farmland

Brief Description of property, including area: \_\_\_\_\_

Property Tax Assessment: \_\_\_\_\_ Paid to date? \_\_\_\_\_

Does a mortgage exist on the property? \_\_\_ Balance Due \_\_\_\_\_

Has property been depreciated? \_\_\_ By what method? \_\_\_\_\_

Appraisal in file: \_\_\_\_\_

Environmental review in file: \_\_\_\_\_ Date of review: \_\_\_\_\_

Asbestos on property: \_\_\_\_\_ Details: \_\_\_\_\_

Property Manager (name and phone): \_\_\_\_\_

Donor's Attorney: \_\_\_\_\_

Donor's Accountant: \_\_\_\_\_

Annual income from property? \_\_\_\_\_ If commercial, provide financials from last 3 years. If leased, provide copy of lease agreement.

Annual costs of property: \_\_\_\_\_ Insurance (confirm coverage)  
\_\_\_\_\_ Maintenance \_\_\_\_\_ Property taxes \_\_\_\_\_ Other

Are any of the following on the property or in the immediate area?

\_\_\_\_\_ Gas Stations

\_\_\_\_\_ Factories

\_\_\_\_\_ Landfills

\_\_\_\_\_ Underground Storage Tanks

\_\_\_\_\_ Storage Sheds

\_\_\_\_\_ Any other environmental hazards

For any item above, provide details: \_\_\_\_\_

Are there any easements, liens, lawsuits, regulatory designation or other restrictions on the property? If so, please describe: \_\_\_\_\_

Has the property been offered to other charities within the last three years? If yes, describe: \_\_\_\_\_

Has the property been on the market in the last three years? If yes, describe \_\_\_\_\_

Any recent sales of neighboring properties? If yes, describe: \_\_\_\_\_  
\_\_\_\_\_

Potential buyers of property (names and phone #): \_\_\_\_\_

Other comments: \_\_\_\_\_



**Greater Milwaukee Foundation  
Procedures for Accepting Real Estate**

- Review latest Gift Acceptance Policy
- Discussion with donor to obtain information on gift and manage expectations on timing of gift
  - Likely to take months, not weeks
  - Emphasize Gift Acceptance Committee makes final determination
- Complete Gift of Real Estate - Gift Acceptance Checklist
- Create Memo of Understanding for donor and GMF CEO to sign, which details the Gift Acceptance Process
- Actions required before donation
  - Market Study of Property Location with assistance of qualified broker
    - Review of comparables
    - Discussion of asking price
  - Physical Inspection
  - Preliminary Title Report- confirm no encumbrances
  - Qualified Appraisal no more than sixty days before donation
  - Copy of Deed
  - Optional Phase I Environmental Audit
  - Gift Acceptance Committee approval
  - Real Estate Attorney to create documents to transfer title
- Actions required after donation
  - Property Management
  - Retention of broker to sell property
  - Sales Price Determination and review of guidelines for price reduction if property does not sell
  - Reimbursement of expenses related to property by donor or from sales proceeds
  - Optional administrative fee to cover cost of staff time
- Actions required after accepted offer
  - Inform Donor of Sale
  - Create Donor's Fund to receive in proceeds from sale
  - Inform Finance and Development and Philanthropic Services staff of new fund and approximate amount of funding
  - Attend Closing
  - Create file with all documents for scanning

Greater Milwaukee Foundation  
Template for Gift of Real Estate Letter of Understanding

Date

Name

Address

RE: Gift of \_\_\_\_\_ located at \_\_\_\_\_

Dear:

We are so pleased that you are considering a donation of \_\_\_\_\_. As you know from our discussions, gifts of real estate must be approved by GMF's Gift Acceptance Committee to ensure that this transaction is beneficial to both the Foundation and you as the donor. Assuming your gift is accepted, it will be GMF's goal to sell the property shortly after it receives title. Describe events up to this point, including meetings with real estate agent, potential sale price, timing, etc.

I am writing today to outline our understanding of the steps that need to be taken in order to continue the gift process. These are standard procedures at the Foundation for acceptance of a gift of real estate, and are considered "best practice" for community foundations.

Prior to Acceptance of the Gift. In order for GMF's Gift Acceptance Committee to evaluate your proposed gift:

- You will provide GMF with:
  - A current "qualified" appraisal of the property by a professional appraiser, not more than sixty (60) days before the donation
  - A current survey of the property (this may be waived for residential property)
  - A preliminary title report
  - A copy of your current deed
- GMF will obtain a comprehensive physical inspection of the property by a professional home inspector or engineer.
- Unless the inspection or other information we receive as part of our review of the property raises environmental issues, we will not require a "phase I" environmental audit.

Once all the above items are obtained, we will provide the proposed gift details to the Foundation's Gift Acceptance Committee, so that a decision to approve/disapprove acceptance of the gift will be made as quickly as possible.

If the Gift Is Accepted. If GMF accepts your gift, then steps must be taken to transfer title of the property to GMF, to manage the property while owned by GMF, and to sell the property. It is our understanding that:

- Transfer of the property will be by warranty deed.
- Property taxes for the year in which you give the property to GMF will be pro-rated between you and GMF.
- Title insurance, with GMF as the insured, will be issued.
- Godfrey & Kahn, GMF's attorneys, will handle the transfer of the property from you to GMF, including the preparation of the deed and Wisconsin real estate transfer tax return.
- GMF will retain \_\_\_\_\_, agent, for the sale of the property.
- GMF will make arrangements for the management of the property prior to its sale.
- GMF will determine the initial asking price for the property and will have the discretion, if it deems it appropriate, to adjust this price in order to facilitate sale of the property.
- After the property is sold, GMF will be reimbursed from the sale proceeds for all costs paid by GMF in connection with the transfer of the property to GMF, the subsequent management of the property prior to sale, and the sale of the property. GMF will work to expedite fund reimbursement, but some funds may be withheld until all expenses are recorded.

After you have reviewed the above information, which is intended to be a letter of understanding and not legally binding, please let us know if you have any questions or comments. If this letter reflects your understanding of the steps to be taken in connection with your duplex, please sign and date below (and on the enclosed copy) and return the original letter in the enclosed envelope. Thank you again for your proposed gift to the Greater Milwaukee Foundation.



Very truly yours,

Greater Milwaukee Foundation, Inc.

By: \_\_\_\_\_  
Ellen M. Gilligan, President & CEO or another authorized officer

Accepted and agreed to this \_\_\_ day of \_\_\_\_\_, \_\_\_\_.

By: \_\_\_\_\_  
Donor

**Greater Milwaukee Foundation  
Fundraising Events Policy**

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 policy on fundraising by donors. All such fundraising activities are also subject to the Foundation's supervision.

**Fundraising publicity guidelines for component funds**

We encourage you to promote your fund so you can maximize its impact within the community. Please follow these guidelines to ensure the most successful outcomes as well as to make sure the Greater Milwaukee Foundation meets all federal and state legal requirements.

**General requirements**

- Please confirm your event plans with your philanthropic adviser, including a review of all marketing materials.
- Foundation staff will assist event organizers in determining which event activities qualifies as tax deductible. If Foundation legal counsel is needed, legal expenses will be the event organizers' responsibility and can be considered an event expense.
- The Foundation must be listed as the recipient of the funds if tax deductions are expected. All donors giving \$250 or more must receive a written acknowledgement from the Foundation in order to claim a deduction.
- The Foundation will manage any donations it may accept into the component fund from donors and other sources. This ensures income and principal are directed to charitable uses and are in accordance with the Foundation's governing documents.

**Event organizers' responsibilities**

- Event organizers are responsible for all event related expenses. They should be paid by check for record keeping purposes. Event-related expenses cannot be paid from your Fund.
- If goods or services are provided in exchange for a donation, please disclose those in your solicitations and written acknowledgements, including a good faith estimate of the value of the goods or services provided. For example: If an event with a \$75 ticket price involves a dinner valued at \$25, the invitation might read, "The \$50 cost of this ticket in excess of the value of your dinner is tax deductible to the extent provided by law."
- Organizers should keep financial records including a specific budget with a list of the names and addresses of each contributor, indicating whether the amount received was cash, check or charge.

- Organizers should also obtain all required permits and approvals and comply with all laws relating to your event(s). All legal arrangements should be provided to your philanthropic adviser for Foundation review.
- Please provide proof of liability insurance for all events connected with the Foundation. If the organizers obtain liability insurance, the Foundation must be named as an insured on the policy. The Foundation may be able to secure a certificate of insurance if you are not part of an organized entity; however, any transactional expense incurred is the event organizer's responsibility and could then be considered an event expense.
- Please have event-related checks made payable to the Greater Milwaukee Foundation followed by the name of the component fund or with the component fund in the memorandum field. This information should be included on promotional materials.
- An administrative fee ranging from 2 to 5 percent will be applied to funds that participate in public fundraising based on the volume of activity. Fees will be determined on a case-by-case basis based on the volume of activity.
- Please note that you and/or your group will be responsible for any losses incurred by events.

Greater Milwaukee Foundation  
Sample Bequest Wording

*Choose option one or two:*

*Option one--bequest in a will:* I give and bequeath

*Option two--gift from revocable trust:* Upon the death of the Settlor, the Trustee shall distribute

[*Describe gift*] to the Greater Milwaukee Foundation Inc., Milwaukee, Wisconsin, (tax id 39-6036407) for its charitable purposes as defined in and subject to the provisions of the Greater Milwaukee Foundation's Articles of Incorporation and By-Laws as they exist on this date or as they may be amended in the future. This gift shall be added to, or used to create, the "[*insert name of fund*] Fund," which is to be administered pursuant to the terms of *Choose one:* [a gift agreement] [an Acorn Society Enrollment Agreement] that *Choose one:* [I] [the Settlor] executed on [*date*], including any subsequent amendments.

H:\POLICIES\Development\Gift Acceptance Policy