



## Gift Acceptance Policy

Health Care Foundation for Ventura County, Inc. (HCFVC) welcomes all gifts for its use to benefit Ventura County Health Care Agency (HCA). HCFVC will endeavor in all instances to work with donors and their advisors to help assure that the goals of each contributor are accomplished. This policy is intended for use as a guideline to HCFVC in accepting gifts; to outside advisors who assist in the gift planning process; and to prospective donors who wish to make gifts to HCFVC. Gifts will be accepted from individuals, corporations and foundations in a manner that supports the purposes and activities of HCFVC and HCA. Specific gifts to HCFVC will be considered on their merits, and final action will be taken by those authorized by the HCFVC Board of Directors to do so when appropriate.

**Please note:** HCFVC strongly encourages donors to consult with their own financial and legal advisors regarding the use of charitable gift vehicles. Donors have the right of disclosure concerning any known conflicts of interest on the part of HCFVC or its representatives surrounding gift proposals.

HCFVC's Chief Executive Officer is ready to provide donors and their advisors with the information necessary to make sound decisions regarding the donor's philanthropic goals.

### General Policy Guidelines

1. All contributions made to HCFVC are the property of HCFVC. Any restrictions placed on donations will be included in the standard bookkeeping for HCFVC.
2. All gifts to HCFVC will comply with IRS requirements.
3. Any contributions or expenditures that would endanger the non-profit status of HCFVC will not be accepted.
4. All information concerning prospective donors shall be confidential. No information shall be released to the general public without securing the prior permission of the donor.
5. Donors shall be encouraged to secure the advice of independent legal and tax counsel in all matters pertaining to gifts to HCFVC. HCFVC generally does not pay for a donor's professional services in respect to a gift.
6. HCFVC shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate.
7. Gifts will not be accepted where there is no charitable intent on the part of the donor.
8. Unless otherwise negotiated, gifts of property will be converted into cash at the earliest opportunity, in consideration to current market conditions and the use of the property in the accomplishment of the mission of HCFVC.
9. Donors of property gifts of over \$5,000 (except gifts of publicly traded stock) must obtain an appraisal by an independent, third party, licensed appraiser in



accordance with current tax law requirements. HCFVC's Finance Committee must approve exceptions to this policy.

### **Donor Bill of Rights**

1. Donors can expect that gifts will be proposed and consummated in the spirit of philanthropy. The gift intent of each donor will be the primary guide for all recommendations.
2. Donors have the right to receive, upon request, reliable financial information from HCFVC regarding HCFVC's viability and investment procedures.
3. Donors can expect to receive all gift options available, not one-sided recommendations.
4. Donors have the right to choose the beneficiary categories and purposes for each gift.
5. Donors have the right to expect that gift proposals should work in the manner proposed.
6. Donors have the right to be referred to qualified consultants who may advise on the impact that making major gifts may have on their stated personal financial and estate planning goals.
7. Donors should expect that their gift will have follow-up consistent with that proposed or agreed upon by HCFVC. Such follow-up will include proper financial accounting when appropriate.
8. Donors who wish to remain anonymous will be granted complete anonymity.
9. Donors' gifts will be acknowledged in a timely manner.

### **Solicitation of Gifts**

Only authorized representatives, including staff and directors of HCFVC, will make any formal solicitation of gifts to HCFVC. All employees, representatives or friends of HCFVC are encouraged to refer any prospective donor to HCFVC.

### **OUTRIGHT GIFTS**

#### **Gifts of Cash**

The simplest way to make a gift to HCFVC is to write a check made payable to "Health Care Foundation for Ventura County, Inc." and not to any employee or volunteer. The contribution may be designated for a specific program or it may be undesignated, available for meeting the HCA's and HCFVC's highest priorities. If the donor wishes the gift to be used in a certain way, the donor can indicate his/her preference both on the check and in a cover letter.

**Securities** accepted by HCFVC will generally be sold as soon as practical, unless it is decided by the appropriate officers of HCFVC to hold the securities as investments of the organization. No agreement shall be made with a donor prior to or subsequent to a gift that such securities will be held for any period of time. The value of a securities gift is the



median of the high and low market price of the stock or bond on the date of the gift. Securities transfer instructions will be given by HCFVC upon request.

**Closely Held Securities** – The HCFVC Board upon recommendation of the Finance Committee may approve Acceptance of non-publicly traded securities.

**Scholarships or Awards** – Non-endowed scholarships or awards may be accepted at anytime. These funds may be expended immediately or at the discretion of HCFVC in agreement with the donor.

**Acknowledgment** - All of the outright gift methods mentioned above will be acknowledged in a letter from HCFVC to the donor for his/her tax records.

**Gift credit and recognition** will be given only in cases where the actual value of the gift (i.e., listed stocks and bonds) can be determined or a qualified appraisal is submitted by a qualified appraiser for real estate of personal property or other satisfactory evidence of value. In the absence of satisfactory evidence of value, the donor's acknowledgement will state no value and the donor must decide the value with his/her own tax advisor.

## **ENDOWED FUNDS**

### **Special Purpose Endowment Funds**

HCFVC encourages the establishment of special purpose endowment funds upon receipt of gifts or commitments that meet the approved funding levels and criteria established for the endowment. Endowment funds require a minimum of \$10,000 to be established.

## **NAMING OPPORTUNITIES**

Naming opportunities offer donors the occasion to help HCA in a meaningful manner while establishing a tangible acknowledgement to their own success or life work. Naming opportunities may be used to honor living individuals or friends or family members of the donor or in memory of a loved one. Naming opportunities involving HCA's physical facilities must be pre-approved by the County of Ventura, in accordance with guidelines established by the County of Ventura Board of Supervisors, as well as approval by the HCFVC Board of Directors.

## **GIFTS OF REAL PROPERTY (PLANNED GIFTS OR OTHERWISE)**

Donors are encouraged to seek independent advice and counsel when making property or split interest gifts.

**Real Property** – It is the policy of HCFVC to accept gifts of real property, both improved and unimproved, on a case-by-case basis. Gifts of real property shall be accepted only

after prior approval of the Finance Committee. No time-share property gifts shall be accepted.

HCFVC may accept gifts of oil and gas interests in the form of royalty or mineral interests in accordance with this policy. HCFVC will **not** accept gifts of oil and gas interests in the form of working interests without prior consultation with and approval of the HCFVC Finance Committee.

Generally, HCFVC will attempt to sell any property received as a gift at a reasonable price, as reflected by the current market as soon as possible. HCFVC may require the following information in order to consider acceptance of a gift of real property:

1. A title insurance commitment showing marketable title in the donor, free and clear of unacceptable encumbrances, issues by a reputable title insurance company;
2. An MAI appraisal by a qualified appraiser;
3. A phase one environmental audit by a qualified engineer indicating that ownership will not expose HCFVC to environmental liabilities;
4. At the election of HCFVC, a market feasibility study for the property;
5. ALTA survey of the property by a registered land surveyor;
6. Evidence of compliance with ADA (when applicable);
7. A review of leases (for commercial property);
8. A disclosure statement for residential property (when applicable).

Under applicable Treasury regulations, a donor is advised to pay for any initial appraisal made on the property. It is generally the responsibility of the donor to pay all costs incurred in transfer of the property including the cost of compliance with any of HCFVC's requirements outlined above.

Special attention shall be given to a proposed gift of real estate encumbered by a mortgage that will not be paid in full by the donor at the time of transfer. HCFVC's ownership of such encumbered real property may generate unrelated business income to HCFVC pursuant to the IRS and disqualification of certain split interest gifts.

Real property will be acknowledged by description and valued initially by HCFVC at \$1.00 per legal description. HCFVC will report such gifts to the Finance Committee at their next meeting for their review. If the Finance Committee assigns a different value to the gift, it will be booked at the assigned value. The donor is advised to consult their own counsel in establishing the value of their gift for tax purposes. If, after review, the Finance Committee has assigned a value other than \$1.00 to the gift, HCFVC will so advise the donor and provide written documentation.

**Tangible Personal Property** – Jewelry, artwork, collections and other personal property will be accepted only after prior approval of HCFVC Finance Committee on a case-by-case basis. HCFVC will consider all gifts of tangible personal property after it has made two determinations: the asset's marketability and its intended use by HCFVC. Careful

consideration will be given where HCFVC is obligated to maintain ownership of the property in perpetuity. HCFVC generally discourages gifts of livestock.

Questions HCFVC will consider regarding the acceptance of tangible personal property may include:

- Does the property fulfill the mission of HCFVC?
- Is the property marketable?
- Are there any undue restrictions on the use, display or sale of the property?
- Are there any public relations issues related to acceptance of the property?
- Are there carrying costs, such as insurance, lease space, maintenance to preserve value, costs of sale or appraisal which will create a negative cash flow for HCFVC?

**Personal Property** may only be accepted after receipt and review of an appraisal qualified under relevant Internal Revenue Code requirements. Generally, appraisal fees are the responsibility of the donor.

**Other Property** – Other property such as mortgages, notes, copyrights, royalties and easements, whether real or personal, may be accepted after prior approval of the Finance Committee. Debt-encumbered property will not be accepted. Special consideration shall be given to the nature of any gift of property, whether real or personal, as to whether it is in keeping with the mission of HCFVC prior to acceptance by HCFVC. Property must be offered for sale to the public before sale to HCFVC Chief Executive Officer, Board of Directors, Board of Supervisors and employees, or their families.

## **OTHER PLANNED GIFTS**

### **Bequests**

Gifts through wills shall be actively encouraged by HCFVC. Where persons indicate their intention to bequeath property other than cash or equivalents to HCFVC, the provisions of the preceding paragraphs of this policy statement shall be communicated to such persons where feasible and deemed appropriate.

Gifts from the estates of deceased donors shall be accepted subject to the terms of the policy statement.

HCFVC staff cannot assist with the drafting of a will and cannot act as witnesses to the drafting of a donor's will.

If a donor is declared not competent and in their right mind and wishes to arrange a planned gift with HCFVC, then HCFVC will consult with that donor's designated attorney-in-fact.

### **Charitable Trusts and Lead Trusts**

HCFVC encourages those interested in doing so to establish charitable remainder trusts (CRT) or charitable lead trusts (CLT) for the benefit of the organization. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and/or state securities regulations.

HCFVC will not serve as trustee of a charitable remainder or lead trust of which it is also the beneficiary. HCFVC may, if necessary, assist in the selection of an appropriate and independent trustee. The fees for management of a charitable remainder or lead trust will only be paid by HCFVC upon prior approval of the Board's Finance Committee. HCFVC will consider paying fees for the creation of a CRT or CLT if HCFVC is the sole and irrevocable beneficiary. HCFVC will make no representations as to performance of trust assets or the manner in which charitable remainder or lead trust assets will be managed or invested by any corporate fiduciary who may be recommended by HCFVC, its employees or directors.

### **Gifts of Life Insurance**

HCFVC will consider all gifts of life insurance and will encourage donors to name HCFVC as the exclusive beneficiary for life insurance policies. HCFVC will also accept the naming of HCFVC as partial interest beneficiary of life insurance policies. An offer of life settlement policies is generally discouraged and will be carefully reviewed by the Finance Committee. Gifts of whole life, variable and universal life policies are accepted contingent on the policies below. HCFVC can also be named as a beneficiary of a term insurance policy.

Criteria for acceptance of life insurance policies:

1. The policy is either paid-up or if not paid-up as of the date of the gift:
  - has a minimum face value of \$50,000
  - has a payment schedule not to exceed twelve (12) years and which assumes an interest rate not to exceed the average historical dividend rate for the prior three-year period (for existing policies an "in force" illustration will be required); and
  - requires a written pledge of a charitable contribution from the donor to HCFVC in a total amount which equals or exceeds the total premiums due, and with pledge payments scheduled so as to equal or exceed each policy premium payment as that payment becomes due. This written pledge also will acknowledge the absolute ownership by HCFVC of the policy given and acknowledge the resulting right of HCFVC to cash-in the policy and apply the proceeds of the same in accordance with donor intent.
2. HCFVC is designated as the owner and the beneficiary of the policy. While the policy will identify HCFVC as the beneficiary, there should also be a written agreement between the donor and HCFVC to transfer ownership of the policy to HCFVC.

## **PAYMENT OF FEES RELATED TO GIFTS**

**Finders Fees or Commissions** – HCFVC will pay no fee to any person as consideration for directing a gift to HCFVC.

**Professional Fees** – Donors are encouraged to assume the cost of professional services rendered in connection with the completion of a gift to HCFVC if possible.

### **Professional Counsel**

Prospective donors shall be encouraged to seek their own legal and/or tax counsel. HCFVC will consult with its own legal counsel with respect to complex gift arrangements.

## **RESTRICTIONS**

Any gift restrictions must comply with the guidelines detailed in the gift acceptance policy statements and shall be in compliance with the law.

**Restrictions on Use and Investment of Gifts** –Before acceptance of the gift HCFVC's Finance Committee must agree to restrictions on ways in which funds may be invested.

### **Perpetual Endowments**

In the event that it becomes no longer possible to hold funds in endowment under the terms originally prescribed by the donor of such funds, applicable state laws will determine the subsequent use of such funds.

## **PLEDGES**

HCFVC accepts pledged gifts and will recognize them publicly, provided a pledge agreement is signed documenting the donor's decision. The pledge must be fully paid within five (5) years of signature or paid in installments over the five-year period.

## **RECOGNITION**

Donors' gifts will be recognized publicly in HCFVC's Annual Report to the Community, in press releases, and on the HCFVC official website. Gifts will also be recognized according to the campaign to which it is being applied. For instance, capital campaigns will offer donors various naming opportunities to be acknowledged by plaques at the site and/or listings on a future donor display on campus. (Such naming opportunities must be pre-approved by the County of Ventura.)

Major donations will also be announced to the Board of Supervisors.

## **Planned Giving**





As soon as a donor informs HCFVC of an irrevocable future bequest or an irrevocable planned gift, that donor will be inducted into a Legacy Society with all its attendant benefits.

**Model Standards and Practices**

HCFVC follows the National Committee on Planned Giving's Model Standards of Practice document. No conflict of interest arrangements will be accepted or tolerated.