

Gift Acceptance Policy

Mission.

The charitable mission of WorldVentures Foundation (“Foundation”) is to serve children and communities at the local level.

Purpose of this Policy.

The Foundation solicits and accepts gifts that are consistent with its mission and that support its core programs and special projects.

Donations will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities. Certain types of gifts must be reviewed prior to their being accepted because they will create liabilities or impose special obligations on the Foundation. The Executive Director of the Foundation may elect to refuse gifts of cash, securities, real estate, or other items of value if there is reason to believe that such gifts are incompatible with the mission or the organization, conflict with its core values, or would create a financial or administrative burden.

Experience has shown that the procedures outlined in this Gift Acceptance Policy help donors efficiently accomplish their desired tax and charitable goals by reducing the misunderstandings and mistakes which frequently arise in complex transactions. This Policy serves as a common resource for donors to the Foundation and can be found on the website of the Foundation.

Types of Gift Assets.

1. **Liquid Assets.** Common liquid assets are currency, cash, cash equivalents, marketable securities, and other assets which result in the delivery of cash to the Foundation, such as a distribution from an individual retirement account (IRA) or a pecuniary bequest under a will.

Donors intending to make gifts of currency in an amount exceeding ten thousand U.S. Dollars in any twelve month period must arrange an appointment with the Executive Director.

To catch and correct delivery errors before these can cause difficulties, we strongly encourage donors or their representatives to give the Executive Director advance notice of any transfer other than a check. Please provide the name of the donor, the scheduled date of the transfer and the amount and specific assets to be transferred.

2. **Real Estate.** Please contact the Executive Director to discuss a contemplated gift of real estate. In order for the Executive Director to investigate the desirability of such a gift, please provide information about title, estimated value and other relevant information.

If the Executive Director is interested in accepting a gift of real estate, it will secure a title search and any environmental survey it believes necessary at its own cost. Donors must reasonably cooperate with these tasks. For example, a donor must grant access to the real estate.

The Executive Director may refuse to accept real estate which is subject to encumbrances such as a mortgage, liens, or unpaid property taxes.

If the donated real estate is to be sold to fund a distribution to the donor or a beneficiary, the Executive Director will, and in other cases the Executive Director may, require the donor to provide funds for the carrying and/or sales costs of the real estate.

3. Life Insurance. Life insurance is a special asset with unique features. While exceptions can be made, the following observations may be useful:
 - The Executive Director will not accept a policy with unpaid policy loans
 - The Executive Director must be the sole owner and beneficiary of the policy
 - Donors will be expected to make ongoing premium payments directly to the insurance company
 - If the donor does not continue making premium payments, the Executive Director may convert the policy to a paid up policy or surrender it for cash
4. Tangible Personal Property. At their discretion, the Executive Director will only accept gifts of tangible personal property which can be used directly in the Foundation's programs or readily sold for a significant amount.
5. Illiquid Business Interests. Please contact the Executive Director to discuss a contemplated gift of an illiquid business interest. In order for the Executive Director to investigate the desirability of such a gift, please provide information about the nature of the business, copies of the business' governing instrument, financial statements, estimate of value, and other owners. The Executive Director will screen proposed gifts to determine whether further investigation is warranted.

If the Executive Director is interested in the proposed gift of an illiquid business interest, he or she will typically require that donor engage competent legal counsel to review the planning for such a gift with its legal counsel because of the sophisticated nature of the transaction.

Please note that for the donor's own protection, the Executive Director will not accept gifts subject to pre-arranged sales except in extraordinary circumstances.

Appraisals.

The Executive Director generally will not provide donors with valuations of liquid assets.

When a gift of an illiquid asset is connected to a charitable gift, the Executive Director will hire a qualified appraiser to determine the value. If the Executive Director believes that the value of the illiquid asset is less than \$100,000, it may, prior to hiring an appraiser, require the donor to agree to pay the cost of the appraisal if the appraised value is less than \$100,000. The Executive Director will pay for the cost of the appraisal if the appraised value of the asset exceeds \$100,000. If a donor disagrees with the appraisal, the donor may secure a second appraisal at the donor's cost. If the two appraisals are within a ten percent range, the value assigned to the gift shall be the higher of the two appraised values. If the lower appraisal is less than ninety percent of the value of the higher appraisal, a third appraisal will be required, with the expense equally divided between the donor and the Executive Director. The third appraisal will be accepted as the gift value.

Charitable Gift Structures.

1. Charitable Gift Annuities

- **Rates.** The Executive Director ordinarily uses the most recently approved rates published by the American Council on Gift Annuities. While annuities in excess of the recommended rates may be issued in unusual circumstances, the Executive Director does not compete for charitable gift annuities on the basis of issue rates.
- **Age.** For annuitants over the age of eighty-five, the Executive Director may use a rate lower than the one recommended by the American Council on Gift Annuities. The Executive Director will issue immediate annuities to annuitants under the age of fifty-five only if it determines that the immediate annuity is suitable given the donor's financial goals for the annuity.
- **Minimum Amount.** The minimum purchase price for a gift annuity is \$5,000.
- **Deferred Gift Annuities.** The Executive Director issues deferred gift annuities. The Executive Director will issue deferred gift annuities with a deferral period greater than twenty years only if it determines that the deferred annuity is suitable given the donor's financial goals.
- **State Variance.** The Executive Director does not offer gift annuities in every state.

2. Charitable Remainder Trusts.

- **Trustee Services.** Under certain conditions, the Executive Director will appoint an individual to serve as trustee if desired. The section on Fiduciaries below provides additional details applicable to this offer.
- The net present actuarial value of the interest dedicated to the Foundation must have a value of at least \$60,000.
- The trust must be funded with at least \$300,000. If the trust has beneficiaries other than, or in addition to, the donor and/or the donor's spouse, the minimum size may be increased.
- The terms of the trust must comply with both the approved forms of charitable remainder trusts published by the Internal Revenue Service and the requirements of the attorney representing the Executive Director.

3. Charitable Lead Trusts. The Executive Director is pleased to accept distributions from charitable lead trusts of cash and other liquid assets. Please call the Executive Director to discuss trustee services and distributions of illiquid assets.

Endowment Gifts.

1. **Variance Power.** A charitable gift can produce benefits for a very long time: some English charitable gifts have continued to produce benefits nearly 1,000 years after being established. Sometimes the purposes for a specific gift can become impractical or impossible to carry out. Courts have the "cy pres" power to modify the purpose of such a charitable gift to accomplish the donor's most likely intention given the impracticality or impossibility of the original expression. Unfortunately, it can be expensive and time consuming to obtain court approval. A condition to every gift accepted by the Executive Director which is intended for a specific purpose is that the Executive Director may modify the charitable purpose in light of current conditions, subject to a duty to accomplish the donor's most likely intention.
2. **Initial Expression of Intent.** Donors are encouraged to think broadly about their desired goals in light

of the possibility of changes in technology, governmental assistance programs and general social conditions. The Executive Director can assist you and your advisors in drafting flexible and farsighted statements of charitable purpose. Many donors include "sunset clauses" in their charitable gifts, which require the entire fund to be spent on the intended purpose within a period such as 50 years.

3. **Distribution Rates.** Generally, the Executive Director will not accept endowment gifts which require the accumulation of income for a lengthy period or defines income in a manner which results in an abnormally low distribution for charitable purposes.

Tax Reporting.

The Executive Director provides receipts for all gifts which satisfy the income tax reporting requirements of donors.

The Executive Director will file Form 8282 with the Internal Revenue Service when a contributed illiquid asset is sold within three years of the gift. The Executive Director cannot agree with a donor to delay the sale of an asset to avoid filing Form 8282.

As a courtesy, the Executive Director will send a copy of a Form 8283 to donors making a gift of illiquid assets as a reminder that the donor will need to obtain an appraisal to substantiate the gift for income tax purposes.

Legal Counsel.

The Executive Director strongly encourages donors to consult their own attorney and/or financial advisor in all matters related to planned gift instruments. Only an attorney should draft a planned gift instrument such as wills and trusts, and the Executive Director will not assist a donor in drafting an instrument which the donor plans to execute without legal review.

Where a competent and fully informed donor decides not to engage an independent attorney despite the Executive Director's written recommendation, the Executive Director may direct its attorney to prepare documents for review by the donor. For purposes of applicable professional rules, the client of the attorney in such cases will be the Executive Director.

In some cases where the donor is represented by legal counsel, the Executive Director will engage separate legal counsel at its own cost to review the details of a specific gift.

Confidential Information.

All donor information including names and addresses, beneficiaries, nature and worth of estates, amount of bequests and any other matter deemed personal by the donor shall be kept strictly confidential by the Executive Director. In select cases, donors may be asked on a purely voluntary basis whether the Executive Director may use selected information for purposes of referral, testimonial, or example. If the information is intended for broad dissemination, such as in published literature, specific authorization for the first such use must be granted in writing.

Fiduciaries.

The Executive Director strongly encourages donors to appoint independent persons to serve as executors and trustees ("fiduciaries") of planned gift instruments. Where a competent and fully informed donor strongly desires to have the Executive Director supply a fiduciary for a planned gift instrument, and no suitable family member is available, the Executive Director will do so in accordance with this section.

1. **Fiduciary Compensation.** Where appropriate, the Executive Director will agree that its nominee will serve as a fiduciary at no cost to the donor. Such agreements must be memorialized in writing. To avoid misunderstanding, donors should consult with the Executive Director in advance of signing a planned gift instrument which contemplates that the Executive Director will supply a fiduciary. Due to requirements of state law and for other reasons, the Executive Director will in some cases arrange to have a trust company appointed to serve as a personal representative of a probate estate.
2. **Legal Representation.** A fiduciary supplied by the Executive Director will engage an attorney to provide legal advice about the duties of the fiduciary. The cost of this representation will be borne by the estate or transfer.

Potentially Controversial Gifts.

Some gifts, if accepted, may result in controversy which will not advance the charitable mission of the Foundation. The Executive Director shall have exclusive authority to determine whether a gift should be declined, and will consider the following factors in evaluating a potentially controversial gift.

1. **Core Values:** Will accepting the gift compromise any core values of the Foundation?
2. **Compatibility of Cause:** Is there convergence of cause and intent between the donor and recipient? Will accepting the gift further the mission, goals and/or objectives of both?
3. **Public Relations:** Will the donor's importance to the Foundation create a significant public relations problem for the Foundation if the gift is turned down?
4. **Motivation:** Is there clear charitable intent and a commitment to benefit the work of the Foundation? It is understood that it is usually appropriate for there to be tax incentives, community acceptance and publicity values for donors.
5. **Consistency:** Will acceptance of the gift be consistent with past gift acceptance decisions?
6. **Credibility of Source:** What effect will the reputation of the donor have upon the reputation of the Foundation?
7. **Form of Gift:** Will the nature of the contribution create problems such as in advertising or sponsorship, or will it create an undue administrative burden?
8. **Bottom Line:** Will the gift encourage others to give? What will be the net effect on the bottom line? Will acceptance of the gift necessitate that the Foundation undertake a course of action it otherwise would not choose.