

Hand and Dove Legacy Foundation
Gifts Acceptance Policy

Approved November 2, 2023

In order to protect the interest of the Hand and Dove Legacy Foundation (H&D) and the persons and other entities who support its programs, these policies are designed to assure that all gifts to, or for the use of H&D are structured to provide maximum benefits to both parties.

This document will focus on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of noncash property.

The goal is to encourage funding of H&D without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner which is not in keeping with the goals of H&D.

To optimize funding from individuals and other entities, H&D must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. It is understood that except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained since some gift situations can be complex, and decisions only made after careful consideration of a number of interrelated factors. Therefore, these policies will in some instances require that the merits of a particular gift be considered by the Trustees or group responsible for these type decisions (the Trustees) and a final decision rendered by that body.

The following are the policies of H&D:

I. **OUTRIGHT GIFTS**

A. Cash

1. Gifts in the form of cash and checks shall be accepted regardless of the amount unless, as in the case of all gifts, there is a significant question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to H&D, or as to whether the funds are derived from an illegal or immoral source.
2. All checks should be made payable to “Hand and Dove Legacy Foundation,” or “H&D,” and shall in no event be made payable to an employee, agent, or volunteer for the credit of H&D.

B. Publicly Traded Securities

1. Securities which are traded on the New York American, NASDAQ, and other reputable Stock Exchanges shall be accepted by H&D. It may be anticipated that such securities will be immediately sold by H&D. In no event shall an

employee or volunteer working on behalf of H&D commit to a donor that a particular security will be held by the Trustees or designee of H&D unless authorized to do so by an officer of H&D.

C. Closely Held Securities

1. Non-publicly traded securities may only be accepted after approval of the Trustees or its designee.
2. Such securities may be subsequently disposed of only with the approval of the Trustees or its designee.

D. Real Property

1. No gift of real estate shall be accepted without prior approval of the Trustees.
2. No gift of real estate shall be accepted without first being appraised by a party chosen by H&D who shall have no business or other relationship to the donor or H&D.
3. In general, residential real estate located within the geographical territory of South Texas, with a value estimated by the donor or others at \$500 or greater will be accepted, unless the Trustees or its designee shall determine for some reason that the property is not suitable for acceptance as a gift.
4. In general, residential real estate located beyond the geographical territory of South Texas will not be accepted as a gift unless it appears to have a value in excess of \$5,000 and there is reason to believe it is highly marketable. The Trustees may make exceptions to this policy if conditions warrant.
5. No commercial real estate shall be accepted by anyone on behalf of H&D without prior approval of the Trustees.
6. Real estate shall not be accepted to fund a charitable gift annuity without seeking a legal opinion as to the permissibility of this action under the laws of the state or states involved and approval by the Trustees or its designee.
7. Special attention shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for H&D, and disqualification of certain split interest gifts unless handled in a proper manner.
8. Prior to accepting all property H&D will require at least a Level I Environmental Study paid for by the donor. A copy of that report must be provided to H&D prior to acceptance of the property by the Trustees.

E. Tangible Personal Property

1. Jewelry, artwork, collections, and other personal property shall not be accepted without prior approval by the Trustees or its designee.
2. No personal property shall be accepted by H&D unless there is reason to believe the property can be quickly disposed of. No personal property shall be accepted that obligates H&D to ownership of it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard will be accepted without prior approval of the Trustees or its designee.
3. Notwithstanding the foregoing, if there is reason to believe personal property has a value of \$500 or more, it may only be accepted after receipt and review by the Trustees_or its designee of an appraisal qualified under terms of the Internal Revenue Code governing gifts of property of this type.
4. Only the Trustees or its designee may represent to a donor that property will or will not be held by H&D for a requisite period of time for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that H&D will, as a matter of policy, cooperate fully in all matters related to IRS investigations of noncash charitable gifts.

F. Other Property

1. Other property of any description including mortgage notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by action of the Trustees or its designee.

II. DEFERRED GIFTS

A. Bequests

1. Gifts through wills (bequests) shall be actively encouraged by H&D.
2. In the event of inquiry by a prospective legator, representatives as to the future acceptability of property proposed to be left to H&D in a will or other deferred gift shall be made in accordance with the terms and provisions of paragraphs I (A-F) of this document.
3. Gifts from the estates of deceased donors consisting of property which is not acceptable shall be rejected only by action of the Trustees or its designee.

H&D shall expeditiously communicate the decision of the Trustees or its designee to the legal representatives of the estate.

4. Attempts shall be made to discover bequest expectancies wherever possible in order to reveal situations, which might lead to unpleasant donor relations in the future. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Trustees and every attempt be made to encourage the donor involved to conform his or her plans to H&D policy.

B. Charitable Remainder Trusts

1. In general, H&D will not serve as sole trustee of a charitable remainder trust for the benefit of H&D. This policy may only be waived by a written resolution of the Trustees.
2. Only with the approval of the Trustees or its designee may any corporate fiduciary be recommended to a donor.
3. The fees for management of a charitable remainder trust will only be paid by H&D upon approval of the Trustees.
4. The employees and volunteers acting on behalf of H&D should become familiar with the types of property generally accepted by corporate fiduciaries as suitable contributions to charitable remainder trusts, and employees or others acting on behalf of H&D shall not encourage donors to make gifts of any property to charitable remainder trusts which are not in keeping with such guidelines.
5. No representations shall be made by any employee or other persons acting on behalf of H&D as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary who may be recommended by H&D without the prior approval of such representation by the fiduciary.
6. Charitable remainder trusts and all other deferred gifts shall be encouraged as a method of making gifts to H&D while retaining income which may be needed by the donor for any number of personal purposes. 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.

7. No charitable remainder trust for which H&D serves as co-trustee shall be encouraged which names as income beneficiaries individuals under fifty years of age or which names more than two income beneficiaries. No charitable remainder trust shall be encouraged where it is determined that the net present value of the remaining interest in the trust is less than thirty percent of the value of the funds transferred to the trust, as it is felt that it is generally unwise to encourage donors of a young age to make such gifts, as this may have a detrimental impact on current giving. The minimum amount required to establish a charitable remainder trust for which H&D serves as co-trustee is \$30,000.

C. Pooled Income Funds

1. It is anticipated that H&D may establish a pooled income fund, a gifting device established by Congress under the terms of section 642 of the Internal Revenue Code and regulations promulgated thereunder.
2. A fiduciary will be selected to manage the fund.
3. No income beneficiary in the fund may be less than fifty years of age without prior approval of the Trustees or its designee.
4. There shall be no more than two income beneficiaries allowed in connection with each contribution to the fund.
5. The minimum initial contribution to the fund shall be \$5,000.
6. Minimum additional contributions by a participant in the fund shall be \$1,000.
7. The corporate fiduciary shall furnish guidelines governing the acceptance of property other than cash as contributions to H&D Pooled Income Fund. Such guidelines shall be adopted by the gift acceptance Trustees and shall be incorporated by reference in these gift acceptance policies.
8. No representation of the fund shall be made which could be construed as marketing the fund as an investment or security of any type. All disclosures required by state and federal regulatory agencies shall be made in a thorough and timely manner.

D. Charitable Gift Annuities

1. No gift annuity shall be accepted which names an income beneficiary under fifty years of age without prior approval of the Trustees or its designee.

2. In keeping with the state laws, there shall not be more than the allowed income beneficiaries for each gift annuity.
3. The minimum initial contribution for a gift annuity shall be \$10,000.
4. The minimum contribution for an additional gift annuity by an individual who has previously entered into a gift annuity agreement shall be \$5,000.

E. Life Estate Gifts

1. Donors shall generally not be encouraged to make gifts of real property to H&D under which they maintain a life interest in the property.
2. This policy is based on the fact that such transfers are often not in the best interest of the donor involved, and there is potential for negative publicity for H&D should a donor have a need to sell the property to generate funds, only to find that a relatively small portion of the proceeds would be available to the donor as owner of the life estate.

F. Gifts of Life Insurance

1. H&D will encourage donors to name H&D to receive all or a portion of the benefits of life insurance policies which they have purchased on their lives.
2. H&D will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made only after researching relevant state laws to assure that H&D has an insurable interest under applicable state law.
3. No insurance products may be endorsed for use in funding gifts to H&D without the Trustees approval.
4. In no event shall lists of H&D donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or H&D. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject H&D to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

II. PAYMENT OF FEES RELATED TO GIFTS TO H&D

A. Professional Fees

1. H&D will pay reasonable fees for professional services rendered in connection with the completion of a gift to H&D. Such fees will be paid only with prior approval of the Trustees.
2. Such fees will be paid only following discussion with and approval by the donor.
3. Fees shall be reasonable, and directly related to the completion of a gift. They shall be limited to appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction, and fees of “fee for service” financial planners. In the case of financial planners, such persons must aver in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions which could be construed as triggering securities regulation.
4. In the case of legal, accounting and other professional fees, an attempt shall be made by the Trustees to ascertain the reasonableness of these fees prior to payment. An hourly breakdown of time should be requested. In cases which appear excessive, the summary of fees shall be submitted to H&D’s legal counsel for review and approval prior to payment.
5. In cases where the persons receiving fees were initially employed by the donor and H&D is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in taxable income to the donor in the amount of the fees paid.
6. In situations where advisors retained by H&D prepare documents or render advice in any form to H&D and/or a donor to H&D, it shall be disclosed to the donor that the professional involved is in the employ of H&D and is not acting on behalf of the donor and any documents or other advice rendered in the course of the relationship between H&D and the donor should be reviewed by counsel for the donor prior to completion of the gift.

III. RESTRICTIONS

A. Endowment Restrictions

1. No restrictions on how gifts may be used by H&D will be honored without prior approval of the Trustees in the case of current gifts or subsequent approval by the Trustees in the case of gifts received by will or other gift which is effective at death which has not been previously approved by the Board.
2. A permanent endowment may be established with a minimum gift of \$10,000.

IV. OTHER

H&D shall comply with all IRS requirements concerning reporting, giving of receipts, etc. in relation to contributions made to H&D and shall also comply with all other laws, rules, and regulations concerning contributions made to H&D and the solicitation by H&D for those contributions.