



COMPLEX GIFTS - OTHER THAN CASH OR MARKETABLE SECURITIES

Hope Christian Community Foundation encourages gifts of appreciated assets other than cash or marketable securities to a donor advised fund. Generally, any assets that can be liquidated relatively easily and at a value acceptable to the donor are preferred. Gifts of gold or gold bullion coins are especially encouraged due to a liquid market which allows their sale at low cost. We will consider almost any kind of assets as a possible gift. Please give us a call to discuss.

Gifts of real estate and more complex assets such as business interest are also encouraged. This is especially true where a sale of the asset is contemplated that would result in a significant capital gain. Donating all or a portion of the real estate or business interest can save or eliminate such taxes.

David began his company 30 years ago with \$10,000 in borrowed funds. Today, the company is worth \$10 million. It is David's habit to give tithes and gifts equal to 10% of his income. Therefore, he wishes to give \$1 million to charity upon the sale of his business to support Christian ministries.

If he makes his charitable gift after he sells his business, he must pay capital gains tax of approximately 15%. In order to give \$1 million to charity, he would use approximately \$1.2 million of his stock value, paying the government approximately \$176,000 in tax.

If he gives HCCF 10% of his company prior to the sale, and allows HCCF to sell that portion of his company to the buyer of his business, there will be no tax owed on that portion. Thus, Jonathan can give \$176,000 more to spread the Gospel by utilizing the services of Hope Christian Community Foundation.

Please call us at [901-682-6201](tel:901-682-6201) for more information.

Some complex gifts will only be considered providing the donor assumes any carrying costs and potential environmental risks are acceptable. For further details, please contact us and please read our Gift Acceptance Policies.

GIFT ACCEPTANCE POLICIES

In order to protect the interests of the Hope Christian Community Foundation and the individuals and other entities who support it, these policies are designed to help assure that all gifts to, or for the use of Hope Christian Community Foundation are structured to provide benefits to both donors and recipients.

This document will focus on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property. The goal is to encourage funding of the Hope Christian Community Foundation without encumbering the Foundation 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 Hope Christian Community Foundation's mission, goals and by-laws.

To optimize funding from individuals and other entities, the Hope Christian Community Foundation 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 as gift situations can be complex, and decisions can sometimes only be 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 a gift acceptance committee which includes the Chairman of the Executive Committee and the Chairman of the Finance Committee and such other board members as shall be determined annually by Executive Committee.

I. OUTRIGHT GIFTS

A. Cash

Gifts in the form of cash and checks shall be accepted regardless of amount unless, as in the case of all gifts, there is a 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 the Foundation.

All checks must be payable to the Hope Christian Community Foundation and shall in no event be made payable to an employee, agent, or volunteer for the credit or benefit of the Hope Christian Community Foundation.

B. Publicly Traded Securities

Securities which are traded on the New York or American Stock Exchanges, or other readily marketable securities, shall be accepted by the Hope Christian Community Foundation. It may be anticipated that such securities will be immediately sold by Hope Christian Community Foundation. In no event shall an employee or volunteer working on behalf of the Hope Christian Community Foundation commit to a donor that a particular security will be held by the Hope Christian Community Foundation without prior approval by the gift acceptance committee.

C. Closely Held Securities

Non-publicly traded securities may be accepted after approval of the gift acceptance committee. Such securities may be subsequently disposed of only with the approval of the gift acceptance committee. No commitments shall be made for the repurchase of such securities by the Hope Christian Community Foundation prior to completion of a gift of securities.

For gifts of closely held securities, administrative fees will accrue and be paid when the asset is made liquid. The actual custodial cost of the gift will be borne by the donor advised fund; however, the donor may choose to pay the administrative fee annually.

D. Real Property

No gift of real estate shall be accepted without prior approval of the gift acceptance committee of the Hope Christian Community Foundation. No gift of real estate shall be accepted unless a qualified appraisal is provided by the donor subject to Hope Christian Community Foundation approval or without first being appraised by a party chosen by the Hope Christian Community Foundation who shall have no business or other relationship to the donor. Any appraisal paid for the Hope Christian Community Foundation will be the sole property of the Foundation.

In general, residential real estate that is deemed to be readily marketable in the opinion of the gift acceptance committee and which is located within the Memphis metropolitan area, with an estimated value of \$100,000 or greater will be accepted unless the gift acceptance committee determines that the property is not suitable for acceptance as a gift.

Gifts of real property with an estimate value of less than \$100,000 within the Memphis metropolitan area will be accepted upon approval by the gift acceptance committee; however, such gifts will be placed in the Hope Christian Community Foundation's unrestricted fund.

In general, residential real estate located outside the Memphis metropolitan area will not be acceptable as a gift without prior approval by the gift acceptance committee.

No commercial real estate shall be accepted by anyone on behalf of the Hope Christian Community Foundation without approval of the gift acceptance committee.

Gifts of an undivided interest will not generally be accepted without a pre-

determined liquidation plan approved by the gift acceptance committee.

Gifts of encumbered property will not be accepted without approval of the gift acceptance committee.

Real estate shall not be accepted to fund a charitable gift annuity without seeking an opinion as to the permissibility of this action under the laws of the state or states involved and approval by the gift acceptance committee. 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 the Hope Christian Community Foundation, and disqualification of certain split interest gifts unless handled in a proper manner.

The gift acceptance committee may require that an environmental audit, inspection or impact study made of any real estate being considered as a gift to the Hope Christian Community Foundation. The committee will not accept any gift that would expose the Hope Christian Community Foundation to expense of cleanup, litigation, etc that may result from the acceptance of such property. Any gift of real estate will be reviewed with consideration of future expenses involved in maintaining the property until it is actually sold. Any administrative fees relating to a gift of real estate will accrue and be paid when the asset is made liquid. The actual custodial cost of the gift will be borne by the donor advised fund; however, the donor may choose to pay the administrative fee annually.

E. Tangible Personal Property

Donors and prospective donors are encouraged to donate gold and gold bullion coins as they are readily marketable at low cost. Jewelry, art work, collections, and other personal property shall not be accepted unless the employee, agent or volunteer working on behalf of the Hope Christian Community Foundation shall have reason to believe the property has value in excess of \$10,000. Any such property valued at \$10,000 and above will be accepted upon approval by the gift acceptance committee and may be placed in a donor advised fund.

No personal property shall be accepted by the Hope Christian Community Foundation unless there is a reason to believe the property can be quickly made liquid. No personal property shall be accepted that obligates the Hope Christian Community Foundation to ownership of it in perpetuity. No perishable property which will require special facilities or security to properly safeguard will be accepted without prior approval of the gift acceptance committee. Any administrative fees relating to a gift of personal property will accrue and be paid

when the asset is made liquid. The actual custodial cost of the gift will be borne by the donor advised fund; however, the donor may choose to pay the administrative fee annually.

Notwithstanding the foregoing, if there is reason to believe personal property is of exceptional value, it may nevertheless only be accepted after receipt and review by the gift acceptance committee of those empowered to act on its, behalf, of an appraisal qualified under terms of the Internal Revenue Code governing gifts of property of this type. Any appraisal paid for by the Hope Christian Community Foundation shall remain the sole property of the Foundation.

Only the gift acceptance committee or persons authorized by the gift acceptance committee to do so may represent to a donor that property will or will not be held by the Hope Christian Community Foundation for a specific period of time or for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that the Hope Christian Community Foundation will, as a matter of corporate policy, cooperate fully in matters related to IRS investigations of non-cash charitable gifts.

F. Other Property

Other property of any description including mortgages, notes, copyrights, royalties, easements, mineral rights, whether real or personal, shall only be accepted by action of the gift acceptance committee or persons duly acting on its behalf.

Appropriate inquiry shall be made and special consideration shall be given to the nature of any gift property and whether it is in keeping with the mission of the Hope Christian Community Foundation prior to the acceptance of any property by the Hope Christian Community Foundation.

II. DEFERRED GIFTS

A. Bequests

Gift through wills (bequests) shall be encouraged by the Hope Christian Community Foundation.

In the event of inquiry by a prospective legator, representations as to the future acceptability of property proposed to be left to the Hope Christian Community Foundation in a will or through any other deferred gift arrangement shall only be

made in accordance with the terms and provisions of paragraphs I (A-F) of this document.

Gifts from the estates of deceased donors consisting of property which is not acceptable shall be rejected only by action of the gift acceptance committee. The legal counsel of the Hope Christian Community Foundation shall expeditiously communicate the decision of the gift acceptance committee to the legal representatives of the estate.

If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision of the gift acceptance committee, this fact shall be communicated to the gift acceptance committee or to the appropriate member of the development staff as quickly as possible.

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 gift acceptance committee and every attempt is made to encourage the donor involved to conform his or her plans to the Hope Christian Community Foundation policy.

B. Charitable Remainder Trusts

In general, the Hope Christian Community Foundation will not serve as sole trustee of a charitable remainder trust for the benefit of the Hope Christian Community Foundation. This policy may only be waived by written resolution of the gift acceptance committee which is subsequently approved by the finance committee of the Board of Directors of the Hope Christian Community Foundation.

The Hope Christian Community Foundation will not serve as trustee or co-trustee of a charitable remainder trust unless approval is given by 75% of the Executive Committee of the Board after thorough discussion of the costs and benefits of such trusts.

The gift acceptance committee of the Hope Christian Community Foundation will identify a number of corporate fiduciaries in which it has confidence. Only with the approval of the gift acceptance committee may any corporate fiduciary be recommended to a donor.

The fees for management of a charitable remainder trust will only be paid by the Hope Christian Community Foundation upon approval of the gift acceptance

committee.

The gift acceptance committee and other employees and volunteers acting on behalf of the Hope Christian Community Foundation should become familiar with the types of property generally accepted by corporate fiduciary as suitable contributions to charitable remainder trusts and employees or others acting on behalf of the Hope Christian Community Foundation shall not encourage donors to make gifts of any property to charitable remainder trusts which are not in keeping with the guidelines.

No representations shall be made by any employee or other person acting on behalf of the Hope Christian Community Foundation as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary that may be recommended by the Hope Christian Community Foundation. Any proposal given to prospective donors will be accompanied by a disclaimer.

Charitable remainder trusts and other deferred gifts shall be encouraged as a method of making gifts to the Hope Christian Community Foundation while retaining income which may be needed by donor or other persons chosen 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 or securities laws and regulations.

C. Charitable Gift Annuities

It is anticipated that the Hope Christian Community Foundation will establish a program to encourage and accept Charitable Gift Annuity contracts from motivated donors who wish to give while receiving annual payments for life.

No Gift Annuity shall be accepted without prior approval of the gift acceptance committee.

There shall not be more than two income beneficiaries for each Gift Annuity, as required by law.

The minimum initial contribution for a Gift Annuity shall be determined on a case by case basis depending on the age of prospective gift annuitants and other factors determined to be relevant by the gift acceptance committee.

D. Life Estate Gifts

Donors shall generally not be encouraged to make gifts of real property to the

Hope Christian Community Foundation under which they maintain a life interest in the property.

This policy is based on the fact that such transfers may not be in the best interest of the donor or donors involved, and there is potential for negative publicity for the Hope Christian Community Foundation 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.

However, such gifts may be accepted by approval of the gift acceptance committee in situations where the asset involved appears to be a minor portion of the donor's wealth, and the committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction. Full disclosure should include a donor's signature on a disclosure statement that includes all the facts involving the gift and potential results of a sale during the donor's lifetime.

E. Gifts of Life Insurance

The Hope Christian Community Foundation will encourage donors to name the Foundation to receive all or a portion of the benefits of life insurance policies which they have purchased on their lives.

The Hope Christian Community Foundation will not, however, as a matter of course agree to accept new 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 the Hope Christian Community Foundation has an insurable interest under applicable state law.

No insurance products, companies or agents may be endorsed for use in funding gifts to the Hope Christian Community Foundation without board approval.

In no event shall names of the Hope Christian Community Foundation donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Hope Christian Community Foundation. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject Hope Christian Community Foundation to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

F. Gifts Involving Retirement Plans

Gifts involving retirement plans will be actively encouraged by the Hope Christian

Community Foundation in light of the efficiency this type of giving vehicle can bring to a donor's overall charitable giving plans.

III. GIFTS TO NEW FUNDS

A donor may establish one or more of the following types of funds of the Hope Christian Community Foundation subject to the corresponding minimum gift requirement:

Cash donor advised fund	\$1,000
Invested donor advised fund	\$10,000
Non profit designated fund	\$25,000

Additionally, invested donor advised funds and non profit designated funds must maintain a balance of \$5,000. The President may grant exceptions to the above requirements.

IV. PAYMENT OF FEES RELATED TO GIFTS TO THE HOPE CHRISTIAN COMMUNITY FOUNDATION

A. Finder's Fees or Commissions

In general, the Hope Christian Community Foundation will pay no fee to any person as consideration for directing a gift to the Hope Christian Community Foundation. It is understood that such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fee may subject the Hope Christian Community Foundation and its management and board of directors to federal and state security regulation.

In no event whatsoever will a commission or finder's fee of any type be paid to any party in connection with the completion of a gift to the Hope Christian Community Foundation without prior approval of a 75% vote of the Board of Directors and subsequent written notification to the donor involved of the amount and recipients of any such fee.

B. Professional Fees

The Hope Christian Community Foundation may pay reasonable fees for professional services rendered in connection with the completion of a gift to the Hope Christian Community Foundation. Such fees will be paid only with prior written approval of the gift acceptance committee.

Such fees will be paid only following discussion with and approval by the donor. 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, environmental inspection fees, 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 demonstrate 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.

In case of legal, accounting and other professional fees, an attempt shall be made by the gift acceptance committee 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 the Hope Christian Community Foundation's general counsel for review and approval prior to payment.

In cases where the person receiving fees were initially employed by the donor and the Hope Christian Community Foundation 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.

In situations where advisors retained by the Hope Christian Community Foundation to prepare documents or render advice in any form to the Hope Christian Community Foundation or a donor to the Hope Christian Community Foundation, it shall be disclosed to the donor that the professional involved is in the employ of the Hope Christian Community Foundation and is not acting on behalf of the donor and that any documents or other advice rendered in the course of the relationship between the Hope Christian Community Foundation and the donor should be reviewed by counsel for the donor prior to completion of the gift.