

VISITING NURSE ASSOCIATION FOUNDATION

GIFT ACCEPTANCE POLICY

The Visiting Nurse Association Foundation promotes charitable giving and provides assistance to donors to help them meet their charitable giving objectives for the benefit of the community served through programs of the Visiting Nurse Association of Porter County.

I Mission

To financially promote health and supportive care agencies and enhance a leadership role in providing a range of quality services needed in our communities.

II Purpose

The purpose of this Gift Acceptance Policy is to govern the Visiting Nurse Association Foundation's acceptance of gifts and to provide guidance to donors and their professional advisors in completing gifts.

III Legal and Tax Counsel

A. Donor's Counsel

Donors are advised to seek their own legal and tax counsel before making a planned gift. The donor shall be solely responsible for the payment of their own legal and accounting fees.

B. Organization's Legal Counsel

The Foundation may, under certain circumstances, hire legal counsel to assist with a gift. For example, the Foundation may hire an attorney:

- To review certain gifts, such as closely held stock, or closely held stock subject to buy-sell agreements or other restrictions
- To review transactions governed by contracts or legal documents (other than gift annuities).
- To review all transactions where a potential conflict of interest may exist.
- To review transactions in which the Gift Acceptance Committee or the Board believe that the use of counsel is appropriate.

The Foundation shall be solely responsible for the payment of its own legal fees.

IV Restrictions on Gifts

The Visiting Nurse Association Foundation will accept unrestricted gifts and gifts that are designated for a particular program or purpose so long as the restricted gifts are not inconsistent with the Visiting Nurse Association Foundation's mission. The Visiting Nurse Association Foundation reserves the right to accept or reject any gift on a case by case basis.

V Current Gifts

A. Cash

The Visiting Nurse Association Foundation will accept an outright gift of cash in any amount.

B. Tangible Personal Property

Tangible personal property includes art, furniture, coin and stamp collections, livestock, jewelry, equipment, cars, boats, clothes, and any other personal item owned by a donor. The charitable deduction for gifts of tangible personal property that are not intended to be used by the Visiting Nurse Association Foundation in furtherance of its mission may be limited to the donor's cost basis rather than fair market value. Donors should seek the advice and direction of their legal and tax advisors before making such a gift. Gifts of tangible personal property given to the Visiting Nurse Association Foundation in anticipation that they will be converted to cash by sale are not considered by the Internal Revenue Service (IRS) to be in furtherance of the Visiting Nurse Association Foundation's mission.

Before accepting a gift of tangible personal property, the Visiting Nurse Association Foundation will consider the difficulty and expense of selling the item or items, the expertise required to sell the item or items, whether or not storage expenses will be incurred until the item or items are sold, the cost of maintaining the item or items pending a sale, the fair market value of the item or items and the overall potential benefit or liability to the Visiting Nurse Association Foundation.

C. Securities

- **Publicly Traded Securities**
A publicly traded security is readily traded on national or regional stock exchanges. The Visiting Nurse Association Foundation will accept an outright gift of publicly traded securities.
- **Closely held securities**
Closely held securities that are not publicly traded may be accepted by the Visiting Nurse Association Foundation on a case by case basis. The following issues must be addressed before the Visiting Nurse Association Foundation will accept closely held stock:
 - How will the value be determined? Is there an independent appraisal of the value available?
 - Will the stock be marketable?
 - Are the securities subject to restrictions on the transferability?
Have the stock certificates been examined to verify if any such restrictions exist?
 - Will the acceptance of the closely held stock generate any undesirable

tax consequences for the Visiting Nurse Association Foundation (i.e., Sub-S stock or certain LLC's may generate unrelated business income)?

A gift of closely held stock cannot be accepted without the prior approval of the Planned Giving Committee. In all instances involving closely held stock, the Visiting Nurse Association Foundation shall hire legal counsel to assist with the transaction. Although the Visiting Nurse Association Foundation will not usually accept closely held stock unless a prospective purchaser has been identified, the existence of a legally binding agreement to sell the stock prior to making the gift will subject the donor to income tax on any gain realized by the sale.

It is the policy of the Visiting Nurse Association Foundation to sell gifted securities immediately upon receipt.

D. Real Estate

Real estate gifts include real property (both improved and unimproved), detached single family residences, condominiums, apartment buildings, rental property, commercial property, farms and gifts of land subject to a retained life estate. Gifts of real estate shall be considered on a case by case basis. A gift of real estate cannot be accepted without the prior approval of the Planned Giving Committee.

The following procedures should be followed in order to determine whether or not to accept a gift of real property.

1. **Inspection.** A member of the Visiting Nurse Association Foundation staff should inspect the property. During the inspection, the staff should note the appearance and general condition of the property and surrounding area.
2. **Legal Description, Survey and Title Insurance.** The staff should obtain an accurate legal description of the property, a copy of any existing surveys and obtain an up-to-date title insurance commitment documenting that the property title is clear and free of liens and encumbrances. The cost of the foregoing shall generally be an expense of the donor.
3. **Environmental Risk.** For any real property other than a single family residence in a residential area or a single lot in a residential area, a Phase I Environmental Assessment should be obtained. The cost of the environmental assessment shall generally be an expense of the donor.
4. **Appraisal.** The donor is solely responsible for obtaining a current independent qualified appraisal of the property. It is the donor's

responsibility to select a qualified appraiser and to pay for the appraisal. If the gift is accepted, the donor must attach IRS Form 8283 to their tax return.

5. **Subsequent Disposition.** If the donated property is disposed of within two years after the date of the donation, the Visiting Nurse Association Foundation shall, if required, file IRS Form 8282 disclosing the sale price.
6. **Carrying Costs.** The donor must disclose the existence of any carrying costs, including but not limited to property owners' association dues, country club membership dues, taxes, insurance, transfer charges, utility charges and special assessments.

E. Life Insurance

The Visiting Nurse Association Foundation may accept a lifetime gift of a life insurance policy if the Visiting Nurse Association Foundation is irrevocably named as both the owner and beneficiary under the policy. The value of the gift is the interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Visiting Nurse Association Foundation will treat the entire amount of the additional premium payment as a gift in the year in which it is made. If the donor does not elect to continue to make gifts to cover the premium payments on the life insurance policy, the Visiting Nurse Association Foundation may:

1. Continue to pay the premiums;
2. Convert the policy to paid up insurance' or
3. Surrender the policy for its current cash value.

In the event that the Visiting Nurse Association Foundation receives a paid up policy, the Planned Giving Committee shall determine whether or not to retain the policy or surrender it for its cash value. No life insurance policy that has a continuing premium obligation shall be accepted without the Planned Giving Committee's approval. The donor must provide the complete policy to the Visiting Nurse Association Foundation along with a statement from the insurance company as to the value of the policy prior to the contribution.

VI Deferred or Split Interest Gifts

A split interest gift involves the irrevocable transfer of an interest in an asset to the Visiting Nurse Association Foundation, but the donor retains either an income stream or the remainder interest.

A. Charitable Gift Annuities

To establish a charitable gift annuity, the donor transfers cash or property to a qualified charity and receives a commitment from the organization to pay a

specific amount to the donor during his lifetime. Although the Visiting Nurse Association Foundation does not presently enter into such contracts, it has made arrangements with the Porter County Community Foundation to receive gifts of this type for the benefit of the Visiting Nurse Association Foundation. Donors desiring to use a charitable annuity to benefit the Visiting Nurse Association Foundation may enter into a lifetime contract with the Porter County Community Foundation under the terms of which the donor receives a fixed annual income for the donor's lifetime, and if desired, for another beneficiary's lifetime.

Upon the death of the last beneficiary, the remainder will be distributed to the Visiting Nurse Association Foundation Fund held by the Porter County Community Foundation. The donor may not make additional contributions to a charitable gift annuity; however, the donor may enter into additional contracts.

This vehicle is available through Porter County Community Foundation to support the programs of the Visiting Nurse Association. Please see the attached Porter County Community Foundation Gift Acceptance Policy for more information.

B. Charitable Remainder Trusts

A charitable remainder trust permits a donor to make a gift into the trust while retaining income from the trust for either a term of years or lifetime(s). It is a flexible arrangement, which involves an irrevocable contribution of property. The trust can be created either during the donor's life or at the donor's death through language contained in the donor's will or other instrument.

The annual distribution may either be fixed at the time of creation or fluctuate with the annual value of the trust. The trust can be created for a predetermined number of years, not to exceed 20 years, or for the lives of the named non-charitable beneficiaries. An annuity payment (not less than five percent or more than fifty percent of the value of the trust assets) will be paid to the income beneficiaries on an annual or more frequent basis.

Upon the beneficiaries' death or at the end of the designated term, the trust remainder will be distributed to the Visiting Nurse Association Foundation. The trust may be funded with contributions of cash, securities or real property. Real property transferred into a trust must be free of any liens or encumbrances.

Although the Visiting Nurse Association Foundation does not presently serve as a trustee, this vehicle is available through Porter County Community Foundation as trustee. Please see the attached Porter County Community Foundation Gift Acceptance Policy for more information.

C. Charitable Lead Trust

A charitable lead trust is an arrangement which involves the contribution of property into a trust that pays an annual income to the Visiting Nurse Association Foundation Fund for a designated term, after which the assets in the trust pass to designated non-charitable beneficiaries. This arrangement is sometimes used to avoid the generation skipping tax or to delay a gift of property that is expected to appreciate in value rapidly during the term of the gift. The Visiting Nurse Association Foundation may be named as the income beneficiary of a charitable lead trust.

This vehicle is also available through Porter County Community Foundation to support the programs of the Visiting Nurse Association. Please see the attached Porter County Community Foundation Gift Acceptance Policy for more information.

D. Porter County Community Foundation's Role as Trustee

If the donor elects to utilize the Porter County Community Foundation as Trustee under a charitable remainder trust or a charitable lead trust to benefit the Visiting Nurse Association Foundation the following conditions apply:

1. The Visiting Nurse Association Foundation Fund is the irrevocable beneficiary of at least fifty percent (50%) of the remainder or lead interest.
2. The trust is funded with a minimum of fifty thousand dollars (\$50,000.00) in fair market value.

The Porter County Community Foundation will retain the services of a professional, third party administrator to manage all charitable trusts in which the Foundation has been named Trustee. All fees for the administration and investment services provided will be charged against the trust balance according to an agreed upon fee schedule in effect at the time the trust is created.

E. Remainder Interest in Personal Residence or Farm

A donor may make a gift to the Visiting Nurse Association Foundation of a personal residence or farm subject to a retained life estate. The donor may, after transferring the title to the Visiting Nurse Association Foundation, continue to live on the property for a term of years or for the lifetime of the donor and/or loved one. The donor will remain responsible for paying real estate taxes, insurance and the general maintenance and upkeep of the property during the life estate term. These responsibilities shall be set forth in a Life Estate Agreement which shall be entered into at the time of the gift and which shall delineate the respective responsibilities of each party. The donor shall be responsible for obtaining a current qualified appraisal of the property for purposes of determining the appropriate charitable income tax deduction.

F. Retirement Plans and Life Insurance Designations

The Visiting Nurse Association Foundation may be named as the beneficiary under a donor's retirement plan or life insurance policy. An unrestricted gift to the Visiting Nurse Association Foundation should be designated as follows:

Visiting Nurse Association Foundation, Inc.

G. Testamentary Charitable Gifts/Charitable Bequests

A testamentary charitable gift or bequest is a gift to the Visiting Nurse Association Foundation named in a donor's will or trust and is payable according to the terms in the dispositive document. Bequests may be for a specific dollar amount in cash, specific securities, or specific articles of tangible personal property. A gift in any amount may be accepted.

Sample bequest language:

General Bequest

I give, devise and bequeath to The Visiting Nurse Association Foundation, Inc., a corporation existing under the laws of the State of Indiana, and located in the City of Valparaiso, Indiana _____ (fill in a percentage of your estate, a certain sum of dollars or a description of a particular property) to be used at the discretion of The Visiting Nurse Association Foundation, Inc.

Specific Bequest

I give, devise and bequeath to The Visiting Nurse Association Foundation, Inc., a corporation existing under the laws of the State of Indiana, and located in the City of Valparaiso, Indiana, _____ (fill in a percentage of your estate, a certain sum of dollars or a description of particular property) and direct that it shall be used for the following purpose(s): _____ (in detail, specify the purpose(s) you wish to support with your bequest). If at any time the need of income for such purpose(s) ceases to exist, The Visiting Nurse Association Foundation, Inc. shall be and is hereby authorized to use this bequest for such purpose(s) as in the judgement of the Foundation shall best promote the welfare of the Foundation and the spirit of its benefactors.

Residual Bequest

All the rest, residue and remainder of my estate, both real and personal, wherever located, I give, devise and bequeath to The Visiting Nurse Association Foundation, Inc., a corporation existing under the laws of the State of Indiana, and located in the City of Valparaiso, Indiana.

VII Perpetual Endowments

Perpetual endowment funds may be maintained with prior approval of the Visiting Nurse Association Foundation Board of Directors. Such funds may be held by the Porter

County Community Foundation in the name of the Visiting Nurse Association Foundation in accordance with their established guidelines.

The Visiting Nurse Association Foundation presently has the following endowment funds:

- Visiting Nurse Association Foundation Fund
- Dagna Simpson Hospice Fund
- Visiting Nurse Association Hospice Fund
- Lukach Memorial Scholarship Fund

Donors may elect to direct their donation to one of these funds or establish a separate fund. Please see the attached Porter County Community Foundation Gift Acceptance Policy for more information.

VIII Gift Acknowledgment

The Visiting Nurse Association Foundation shall provide a written acknowledgment to each donor that makes a contribution to the Foundation after such contribution is accepted by the Visiting Nurse Association Foundation. The gift acknowledgment shall indicate whether or not any goods or services were provided in exchange for the gift. The gift acknowledgment shall provide a detailed description of the property donated or the amount of cash contributed. The gift acknowledgment shall, in most instances, be issued within seven days of receipt of the gift. When additional information is needed, the acknowledgment shall be issued as soon as possible after all the information is obtained.

IX Planned Giving Committee

The Planned Giving Committee shall have the authority to review proposed gifts that are not defined in the foregoing Gift Acceptance Policy or that have special circumstances. The Planned Giving Committee shall have the authority, where it is deemed appropriate, to grant variances to the foregoing policies on a case by case basis. Such variances should be well supported and well reasoned. The Planned Giving Committee shall have the authority to retain legal counsel, if necessary, to advise the Committee when the situation may involve unusual legal ramifications.

Adopted: November 15, 2005