



Gift Acceptance Policy

Introduction

In order to protect the interests of LAEF (Los Alamitos Education Foundation) and the persons and other entities that support its programs these policies are designed to assure that all gifts to, or for the use of, LAEF 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 non-cash property.

The goal is to encourage funding of LAEF 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 LAEF.

To optimize funding from individuals and other entities, LAEF 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 can 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 the finance committee and a final decision be made only by that body.

Outright Gifts

Cash

1. 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 LAEF.
2. All checks must be made payable to LAEF and shall in no event be made payable to an employee, agent, or volunteer for the credit of LAEF.

Publicly Traded Securities

1. Securities which are traded on the New York or American Stock Exchange in the U.S., or Canadian Stock exchange in Canada, shall be accepted by LAEF via Donor Advised Funds (DAF). Donors are encouraged to consult with their tax and/or financial advisors prior to implementing or utilizing a DAF. In no event shall an employee or volunteer working on behalf of LAEF commit to a donor that a particular security will be held by LAEF.

Closely Held Securities

1. Non-publicly traded securities may only be accepted after approval of the finance committee.
2. Such securities may be subsequently disposed of only with the approval of the finance committee.

Real Property

1. No gift of real estate shall be accepted without prior approval of the finance committee.
2. No gift of real estate shall be accepted without first being appraised by a party chosen by LAEF that shall have no business or other relationship to the donor.
3. In general, residential real estate located within the United States with a value estimated by the donor or others at \$500,000 or greater will be accepted, unless the finance committee shall determine for some reason that the property is not suitable for acceptance as a gift.
4. In general, residential real estate located outside the United States will not be accepted as a gift unless it appears to have a value in excess of \$750,000 USD and there is reason to believe it is highly marketable. The finance committee may make exceptions to this policy if conditions warrant.
5. No commercial real estate shall be accepted by anyone on behalf of LAEF without subsequent approval of the finance committee.
6. 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(s) or province(s) involved and approval by the finance committee.
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 LAEF, and disqualification of certain split interest gifts unless handled in a proper manner.

Tangible Personal Property

1. Jewelry, artwork, collections and other personal property shall not be accepted unless the employee, agent or volunteer working on behalf of LAEF shall have reason to believe the property has a value in excess of \$1000. Such property can only be accepted by the finance committee, or such other person or persons authorized to do so by the finance committee.

2. No personal property shall be accepted by LAEF unless there is reason to believe the property can be quickly disposed of. No personal property shall be accepted that obligates LAEF to ownership of its use 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 finance committee.
3. Notwithstanding the foregoing, if there is reason to believe personal property has a value of \$25,000 or more, it may only be accepted after receipt and review by the finance committee or 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.
4. Only the finance committee or persons authorized by the finance committee to do so may represent to a donor that property will or will not be held by LAEF for a requisite 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 LAEF will, as a matter of corporate policy, cooperate fully in all matters related to IRS or CRA investigations of non-cash charitable gifts.

Other Property

1. Other property of any description included mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by action of the finance committee or persons duly acting on its behalf.

Deferred Gift

Bequests

1. Gifts through wills (bequests) shall be actively encouraged by LAEF.
2. In the event of inquiry by a prospective legator, representations as to the future acceptability of property proposed to be left to LAEF in a will or other deferred gift shall only be made in accordance with the terms and provisions 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 finance committee. The legal counsel of LAEF shall expeditiously communicate the decision of the finance committee to the legal representative 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 finance committee, this fact shall be communicated to the finance committee or to the appropriate member of the staff as quickly as possible.

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 finance committee and every attempt be made to encourage the donor involved to conform his or her plans to LAEF policy.

Charitable Remainder Trusts

1. In general, LAEF will not serve as sole trustee or co-trustee of a charitable remainder trust for the benefit of the institution. This policy may only be waived by a written resolution of the finance committee which is subsequently approved by the finance committee of the board of directors of LAEF.
2. The finance committee of LAEF will identify a number of corporate fiduciaries in which it has confidence. Only with the approval of the finance committee may any corporate fiduciary be recommended to a donor.
3. The fees for management of a charitable remainder trust will only be paid by LAEF upon approval of the finance committee.
4. The finance committee and other employees and volunteers acting on behalf of LAEF 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 LAEF 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 LAEF as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary who may be recommended by LAEF 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 LAEF while retaining income which may be needed by the donor for any number of personal purposes.

Life Estate Gifts

1. When appropriate, donors shall be encouraged to make gifts of real property to LAEF under which they maintain a life interest in the property.
2. Such gifts may be accepted by approval of the finance committee in situations where the committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

Gift of Life Insurance

1. LAEF will encourage donors to name LAEF to receive all or a portion of the benefits of life insurance policies that they have purchased on their lives.

2. LAEF 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/provincial laws to assure that LAEF has an insurable interest under applicable state/province law.
3. No insurance products may be endorsed for use in funding gifts to LAEF without board approval.
4. In no event shall lists of LAEF donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or LAEF. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject LAEF to state/province insurance regulation should the activity be construed as involvement in the marketing of life insurance.

Payment of Fees Related to Gifts to LAEF

Finder's Fees or Commissions

1. LAEF will pay no fee to any person as consideration for directing a gift to LAEF. 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 LAEF, its management and board of directors to federal and state/province security regulation.

Professional Fees

1. LAEF will pay reasonable fees for professional services rendered in connection with the completion of a gift to LAEF. Such fees will be paid only with prior written approval of the finance committee.
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 (if allowed by IRS rules) 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 that 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 finance committee to ascertain the reasonableness of these fees prior to payment. An hourly breakdown of time should be requested. In cases that appear excessive, the summary of fees shall be submitted to LAEF corporate counsel for review and approval prior to payment.

5. In cases where the persons receiving fees were initially employed by the donor and LAEF 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 LAEF prepare documents or render advice in any form to LAEF and/or a donor to LAEF, it shall be disclosed to the donor that the professional involved is in the employ of LAEF and is not acting on the behalf of the donor and that any documents or other advice rendered in the course of the relationship between LAEF and the donor should be reviewed by counsel for the donor prior to completion of the gift.

Restrictions

Endowment Restrictions

1. No restrictions on how gifts may be used by LAEF will be honored without prior approval of the finance committee in the case of current gifts or subsequent approval by the finance committee in the case of gifts received by will or other gift which is effective at death which has not been previously approved by the finance committee.
2. A permanent endowment may be established with a minimum gift of \$1,000,000.
3. Board designated funds may be established with a minimum gift of \$100,000. Such funds will function as endowed funds such that the interest only will be expended for the purposes specified, however the board will reserve the right to spend the fund principal or to re-direct.

Cryptocurrency

Cryptocurrency is treated by the IRS as property. All cryptocurrency gifts will be reviewed and accepted upon approval from the Finance committee.

As gifts, cryptocurrency, which can be highly volatile, will be converted to U.S. Dollars as quickly as administratively possible when the gift is received.

A charitable gift of cryptocurrency is only complete once the currency has been successfully paid to and accepted by LAEF's designated currency processor, ENGIVEN.

Upon payment/acceptance, ENGIVEN will provide the donor with a gift acknowledgement or receipt that substantiates the receipt of the cryptocurrency as a charitable gift. Similar to non-marketable securities, the acknowledgement may not contain a value of the gift. Gift receipting is like personal property, stating the name and number of cryptocurrency coins donated, the date of receipt, and the fund or account benefiting from the gift.