

Gift Acceptance Policy





Gift Acceptance Policy

The Dallas Foundation (the “Foundation”) encourages the solicitation and acceptance of gifts for purposes that will help the Foundation further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation.

I. Purpose of Policies and Procedures.

The purpose of this document is to set forth the criteria that the Foundation and its Gift Acceptance Committee use to determine that a proposed gift is acceptable and to generally inform prospective donors and their advisors of the types of gifts the Foundation accepts.

II. Use of Legal Counsel.

The Foundation seeks the advice of legal counsel as appropriate on matters relating to acceptance of gifts. Review by legal counsel is usually sought in connection with:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- Gifts of real estate.
- Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume a legal obligation.
- Gifts of patents and other intellectual property.
- Transactions with potential conflicts of interest.
- Other instances in which use of counsel is deemed necessary or appropriate by the Foundation’s Board of Governors or Gift Acceptance Committee.

In most cases, legal costs will be borne by the prospective Donor, or if applicable, the existing Foundation fund.

III. Communications With Donors.

The Foundation holds all communications with donors and information concerning donors and prospective donors in strict confidence, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for or releases of information concerning a donor or a prospective donor will be granted only if permission is first obtained from the donor.

IV. Gift Acceptance Committee.

Approval of the Gift Acceptance Committee is required in order for the Foundation to accept any gift other than cash, marketable securities, mutual fund shares and items of a similarly liquid nature.

The Gift Acceptance Committee shall regularly report its decisions on gift acceptance to the Board of Governors. Depending upon the magnitude and/or complexity of the proposed gift, the Gift Acceptance Committee may determine that approval of the Board of Governors is necessary. The Committee is also responsible for reviewing this Policy periodically to assess whatever any modifications are necessary.



V. Restrictions on Gifts.

Restricted gifts and gifts for specific programs and purposes may be accepted, provided they are consistent with the Foundation's mission, purposes and priorities. The Foundation will not accept gifts that are inconsistent with its mission, purposes or priorities or are judged too difficult to administer. The Gift Acceptance Committee shall make all decisions on the restrictive nature of a gift, and acceptance or refusal of the gift.

VI. General Gift Acceptance Procedures and Guidelines.

A. Donor Recognition. All decisions on acceptance of gifts shall be in concert with the mission and strategic plan of the Foundation. Accepted gifts may be publicly recognized in a manner consistent with the donor's intent and approved by the Gift Acceptance Committee. Staff will have responsibility for administering all donor recognition consistent with these guidelines. Opportunities to name endowments, to express appreciation with plaques, displays or other markers or to name facilities must be approved by the Gift Acceptance Committee.

B. Financial Statements. Recognition for financial statement purposes shall be given for a deferred gift only if the gift is irrevocable.

C. No Tax or Legal Advice to Donors. The Foundation does not provide personal legal, financial, tax compliance or other professional advice to donors. While the Foundation may provide donors with gift illustrations, including calculations, and draft documents prepared or approved by the Foundation's legal counsel, donors will be advised in writing to seek the assistance of their own legal counsel or other professional advisors in matters relating to the legal, tax and estate planning consequences of the proposed gift.

D. Pledges. All pledged gifts shall be documented in writing, accompanied by a timetable showing when and how each gift will be made. Oral pledges will not be accepted or recognized.

E. Legal Proceedings. The Foundation shall not accept any property that is subject to any adversarial legal proceeding without a favorable opinion from legal counsel.

F. Undivided Ownership Interests. Special scrutiny shall be given to gifts owned in undivided ownership interests.

G. Outstanding Liabilities. The Foundation shall not accept gifts in which it assumes any pre-existing liabilities of any kind, other than nonrecourse indebtedness in which the Foundation has no obligation or liability exposure beyond the donated property, without prior approval of the Gift Acceptance Committee.

H. Capital Calls. The Foundation shall not be subject to any cash calls or other ongoing obligations on gifts such as closely held corporate stock, partnership interests, real estate or oil and gas properties without prior approval of the Gift Acceptance Committee.

I. UBTI; Excess Business Holdings. The Foundation shall not accept any gift that generates "unrelated business taxable income" ("UBTI") or creates potential excess business holdings without prior approval of the Gift Acceptance Committee.



VII. Specific Gift Acceptance Procedures and Guidelines.

A. Bargain Sales. All bargain sales must be reviewed and approved by the Gift Acceptance Committee.

B. Bequests.

1. The Foundation shall not give legal, tax or accounting advice regarding bequests. The Foundation staff and its representatives shall emphasize to the prospective donor the importance of independent legal and tax counsel relating to wills and trusts.
2. The Foundation may provide sample bequest and/or trust language for restricted and unrestricted gifts, including endowments, for the purpose of assisting donors and their advisors as to the proper designation of the gift.
3. The Foundation shall not serve as executor of estates, nor may its officers and Governors serve as executors in their capacities as Foundation officers or Governors.
4. Documents such as releases, waivers, and final accountings requiring the signature of a Foundation representative must be reviewed by the Gift Acceptance Committee and, if necessary, legal counsel.

C. Cash. Cash is acceptable in any form. Checks shall be made payable to the Foundation and shall be delivered to the Foundation's administrative offices. Donations may also be made by credit card and online.

D. Charitable Lead Trusts. The Foundation may accept a designation as income beneficiary of a charitable lead trust only with the prior approval of the Gift Acceptance Committee. The Foundation will not accept an appointment as trustee of a charitable lead trust.

E. Charitable Remainder Trusts. The Foundation may accept a designation as remainder beneficiary of a charitable remainder trust only with the prior approval of the Gift Acceptance Committee. The Foundation will not accept an appointment as trustee of a charitable remainder trust.

F. General. Donative intent must be the primary motivation for all gifts. The following parameters shall be considered and utilized in seeking gift proposals involving property, split interest trusts (i.e., a trust with both charitable and non-charitable beneficiaries) or bequests.

G. Information.

1. For any planned gifts (i.e., not outright, immediate gifts), the Foundation may provide gift illustrations, with disclaimers, to the donor and the donor's advisors on an information-only basis. The donor shall be strongly encouraged to use his/her own advisors to review and discuss any information provided by the Foundation.
2. Gift illustrations may include economic modeling of gift financing tools, such as charitable trusts, using performance assumptions.

H. Interests in Pass-Through Entities.

1. Interests in pass-through entities may be accepted only with the prior approval of the Gift Acceptance Committee.
2. The gift must be appropriately evaluated to determine whether UBTI or excess business holdings will be attributed to the Foundation as a result of ownership of the interest in the pass-through entity.



I. Life Insurance Policies.

1. The Foundation may accept gifts of life insurance policies only with the prior approval of the Gift Acceptance Committee under these circumstances:
 - a. gifts of a paid-up insurance policy (i.e., policy that is guaranteed to require no additional premium payments to keep the policy in force until death); or
 - b. gifts of a new or existing insurance policy, for which the donor pledges to make unrestricted gifts to the Foundation, which will be used to pay the premiums so that the policy does not lapse.
2. For a life insurance policy to be recorded as a gift, the Foundation must be named as both a beneficiary and owner of the policy.

J. Matching Gifts. Unless the company or organization specifies otherwise, matching gifts from companies and organizations follow the restrictions of the donor whose gift is being matched. If a donor makes an unrestricted gift, the matching gift is unrestricted and, if the donor makes a restricted gift, the match is likewise restricted. Matching gifts shall count toward an individual's gift total in the year the matching gift is received.

K. Non-Publicly Traded Securities.

1. Securities in non-publicly traded companies may be accepted only if approved in advance by the Gift Acceptance Committee. Such gifts must be reviewed prior to acceptance to determine: (i) the estimated fair market value, (ii) any restrictions on time limits on the Foundation's right to sell, (iii) potential liability from ownership, (iv) potential UBTI, (v) potential problems from affiliation with the business of the issuer of the security, (vi) the difficulty of selling the security, and (vii) the requirements to be followed in order to dispose of the security, particularly applicable securities laws.
2. Unless otherwise determined by the Gift Acceptance Committee, every effort will be made to sell non-publicly traded securities as soon as practical in a manner consistent with the Foundation's policies.

L. Oil, Gas and Mineral Interests. The Foundation may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest, the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the Foundation's legal counsel. Criteria for acceptance of the property shall include:

1. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
2. A working interest is rarely accepted. A working interest may be accepted only when there is a plan to minimize potential liability and tax consequences.
3. The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.

M. Other Assets. Acceptance of any other type of property as a gift to the Foundation shall require the prior approval of the Gift Acceptance Committee.

N. Real Property.

1. The Foundation will seek counsel of qualified consultants before accepting any gift of property.
2. Due to the additional and potentially significant costs involved with respect to gifts of real estate, the minimum value for acceptance of a gift of real property is \$1,000,000. Any gifts of real property with a



lower value must be approved in advance by the Board of Governors, upon favorable recommendation from the Gift Acceptance Committee.

3. The Foundation shall convert property gifts to cash as soon as practical, unless the Gift Acceptance Committee determines retention is advisable under the circumstances.
4. Gifts of real estate may include developed property, undeveloped property or gifts subject to a prior life interest.
5. Before acceptance of a gift of real estate, the Foundation shall compile relevant information regarding the real estate including:
 - a. The deed conveying the property to the donor.
 - b. The current property tax bill.
 - c. A title insurance commitment.
 - d. Any promissory note, mortgage, deed of trust or other liens on the property.
 - e. Any lease or other contract affecting the property.
 - f. If the property is income producing, a copy of the profit and loss statements for at least the two most recent years.
 - g. A summary of current insurance coverage for the property.
 - h. Copies of correspondence with governmental authorities, tenants and/or prospective purchasers concerning the property.
 - i. A current market analysis of the property.
 - j. An appropriate environmental evaluation.
6. The Foundation shall conduct a physical inspection of the property, or arrange for such inspection by a professional inspector, and a written summary of the inspection shall be included in the file documenting the consideration and acceptance of the gift.
7. All proposed gifts of real property and transfer documentation shall be reviewed by Foundation legal counsel. The donor shall be responsible for documenting the value of the property consistent with Internal Revenue Code requirements, and the Foundation shall have no responsibility and make no representations in this regard. At least a Phase One environmental study shall be conducted by a reputable environmental consulting firm.
8. The Foundation shall not accept any property containing hazardous materials, hazardous substances or toxic waste, or that is on any Superfund list.
9. The Foundation shall not accept any property that is subject to any outstanding mortgages or other liabilities without prior approval of the Gift Acceptance Committee.
10. The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of this Section VII.E. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness must be paid by the donor or other primary life beneficiary or beneficiaries.

O. Retirement Plan Assets. Subject to the provisions of this Gift Acceptance Policy for the particular asset, the Foundation will accept assets it receives as the designated beneficiary of a retirement plan (for example, an IRA, a 401(k) plan or a defined contribution plan). The Foundation shall obtain a copy of the executed designation form that the donor has submitted to the retirement plan administrator to name the Foundation as the beneficiary.



P. Tangible Personal Property.

1. Gifts of tangible personal property (e.g. a collection, artwork, etc.) may be accepted only with the prior approval of the Gift Acceptance Committee.
2. All gifts of tangible personal property shall be examined in light of the following criteria:
 - a. Is the property marketable?
 - b. Are there any undue restrictions on the use, display, or sale of the property?
 - c. Are there any carrying costs for the property?

VIII. Documentation.

A. Gift Acknowledgment. The Foundation will acknowledge the receipt of all gifts in writing as promptly as possible, in a manner satisfying Internal Revenue Code substantiation requirements and/or disclosure requirements.

B. Valuation. It is the sole responsibility of the donor and the donor's advisors to establish the effective date of any gift and the fair market value of the assets on that date. All appraisals of real and personal property contributed to the Foundation are the sole responsibility of the donor.

C. IRS Filing Requirements. The Foundation will execute and return to the donor or the donor's representative a properly completed IRS Form 8283, Noncash Charitable Contributions. When required, the Foundation will complete and file IRS Form 8282, Donee Information Return (Sale, Exchange or Other Disposition of Donated Property). All bargain sales must be reviewed and approved by the Gift Acceptance Committee.

The undersigned, being the duly qualified Secretary of the Foundation, hereby certifies that the foregoing Gift Acceptance Policy was duly adopted by the Board of Governors of the Foundation at a meeting held on September 15, 2020, at which a quorum was present and voting throughout.

Clint D. McDonnough, Secretary



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