



## **Kiwanis Club of Ames Foundation Policies**

### **1.0 Acknowledgement of Gifts and Donations**

All donations or gifts of \$25.00 or more in value shall be acknowledged in writing to the donor. The acknowledgement/thank you letter shall include current information on the IRS tax classification of the Foundation in conformance with IRS guidelines.

### **2.0 Gift Acceptance Policies**

#### **2.1 Protection of Donor's Interest**

When Kiwanis Club of Ames Foundation accepts donor gifts that are restricted as to how, when and where the gift may be used, donors have the right to be assured their gifts will be used as they intended. To assure the restrictions are acceptable and in the best interest of the Foundation, the Foundation Board shall approve all restricted donations before they are deposited/accepted. A standard form of gift acceptance will be established to document any restrictions.

The gift agreement may be amended during the lifetime of the donor by mutual consent of the donor and Kiwanis Club of Ames Foundation, as represented by its Board of Directors. If, following the donor's lifetime, it becomes impossible to satisfy the restrictions of the agreement due to changing conditions or circumstances, the Kiwanis Club of Ames Foundation Board of Directors agrees to find an alternative use of the gift that matches as closely as possible the original intent of the donor.

#### **2.2 Gift Acceptance**

All bequests and gifts including restricted funds are subject to the bylaws, rules, and regulations, and policies of the Kiwanis Club of Ames Foundation. The Foundation Board of Directors may decline to accept a gift should the restriction(s) be deemed impractical, unnecessary or undesirable.

The Foundation may accept a gift designated for a specific purpose if it is within the scope of the Foundation's mission.

Unusual gifts, gifts of real or personal property, gifts that have conditions attached, or gifts that require the Foundation to assume an additional or specific liability shall be reviewed by the Foundation Board of Directors. Examples of such gifts: land gifts that would require the Foundation to assume a property tax liability; gifts of improved property that would require maintenance or management; gifts designed for purposes not obviously related to the Foundation's mission; gifts of art work, antiques, and jewelry that are not, in their present state, able to be easily sold; gifts that are so restricted that the Foundation would be required to expend the funds to a particular individual.

The Foundation shall encourage the donor to discuss the proposed gift with the legal and /or tax advisors of the donor's choice, at the donor's expense. This is to ensure the donor receives a full, accurate explanation of all aspects of the proposed charitable gift. It is the donor's responsibility to obtain any necessary appraisals, file appropriate personal tax returns, and defend any challenges to claims for tax benefits.

#### Procedures for Review of Gifts

In reviewing gifts to the Foundation the following will be considered:

- the charitable intent and ultimate community benefit
- the nature of the restrictions
- the permanency of the gift; the amount of time the fund will remain with the Foundation
- projected costs of managing the gift asset
- fee revenues to the foundation for administering the gift

Gifts requiring review and approval of the Board include:

- gifts with restricted uses or qualifications
- gifts of real estate
- interests in business entities
- charitable remainder trusts, charitable lead trusts, or charitable gift annuities, if funded with assets other than cash or publicly traded securities
- retained life tenancy in a residence or farm
- arrangements where the donor receives fees for services to the Foundation
- other unusual property

### **3.0 Endowment Funds**

#### **3.1 Kiwanis Foundation Endowment Fund**

The intent is to build this Endowment Fund so the earnings will support the goals of the Kiwanis Club of Ames. It is also intended that expenditure of the Endowment Fund principle would be limited to rare and special projects.

The Endowment Fund consists of money that was clearly restricted solely for the Foundation Endowment Fund by the donor or is restricted by the Kiwanis Club of Ames Foundation Board of Directors as well as earnings from the Foundation Endowment Fund.

Each year earnings on the Foundation Endowment Fund may be disbursed at the discretion of the Foundation Board of the Directors. Unspent earnings remain part of the Endowment Fund and may be transferred to principle at the discretion of the Foundation Board of Directors.

The principle or any part of the principle, of the Foundation Endowment Fund may be disbursed by the Foundation Board only after consultation with the Kiwanis Club of Ames Foundation membership. Consultation shall mean discussion and a voice vote of those Kiwanis Club of Ames members present at any regular meeting, or at any special meeting called for that purpose. Members must receive written notice of the intended action in the Kiwanis Club Bulletin at least two weeks prior to the meeting. There shall be no voting by proxy.

At the March 2006 Board meeting, the Foundation Board acted to invest the Foundation Endowment Fund with the Community Foundation of Story County.

### **3.2 Endow Iowa Endowment Fund**

The Iowa State Legislature has established the "Endow Iowa Program" administered by the Iowa Department of Economic Development. The program currently provides a state income tax credit equal to 20% of a charitable gift to a community foundation such as the Community Foundation of Story County. Gifts documented through the Kiwanis Club of Ames Foundation would return the interest/earnings from these gifts to the Kiwanis Club of Ames Foundation forever (or as long as the Foundation exists as a 501(c)(3) organization). At the April 2006 meeting, the Foundation Board acted to establish an Endow Iowa Fund with the Community Foundation of Story County.

### **4.0 Unrestricted Fund**

Foundation funds not held in an Endowment Fund or special project funds will be available for the Foundation Board's unrestricted use to advance the objectives of the Kiwanis Club of Ames. Any gifts or donations not specifically made to an Endowment Fund or a special project will be made to the Unrestricted Fund. All interest/earnings from Foundation funds other than the Endowment Funds will be accrued to the Unrestricted Fund.

### **5.0 Special Funds**

Special Foundation projects, such as a park improvement, may be approved by the Foundation Board. When the project is approved by the Board, an accounting fund will be established and included in the monthly Treasurer's Report. All donations, income, and expenses to accomplish the project will be financially reported under the project accounting fund. When the project is completed and closed, any remaining balance will be transferred to the Unrestricted Fund or Foundation Endowment Fund as directed by the Board.

### **6.0 Audits of Foundation Records**

The Foundation records shall be regularly audited in accordance with the procedures and policies for the Kiwanis Club of Ames financial records.

***This policy was approved by the Board of Directors of the Kiwanis Club of Ames Foundation at a regular meeting on April 4, 2006.***