



INVESTMENT POLICY STATEMENTS

***and* GIFT ACCEPTANCE POLICY**

Established: June 29, 2016

Revised: March 25, 2019

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Cleveland Leadership Center

Mission

The mission of Cleveland Leadership Center (CLC) is to build a continuum of civic leaders committed to our community's excellence by serving as a catalyst for civic engagement.

Investment Policy Overview

The investment policy statement will provide an understanding of the investment objectives and guidelines for the management of the Cleveland Leadership Center's assets. The individual policies are intended to be dynamic in that the documents will change with the needs of the Organization.

Objectives

The primary objectives of Cleveland Leadership Center are preservation of capital on an inflation-adjusted basis, generation of income or capital gains sufficient to meet annual spending requirements, and maintenance of sufficient liquidity to meet annual spending needs. To achieve these objectives, the funds will be invested using a balanced strategy and are to be invested with the care, skill, and diligence of a prudent investor.

Authorities and Descriptions

Board of Trustees – The Board of Trustees' role is to approve the Investment Policy. Responsibility for implementing the policies and monitoring performance is delegated to the Investment Committee.

Executive Committee – The Executive Committee is the decision-making body of the Board of Trustees.

Finance Committee – The Finance Committee will convene an Investment Committee and approve its charter and membership. The Finance Committee will review and approve the Investment Committee's proposed Investment Policy and amendments, prior to presenting to the Executive Committee and the Board of Trustees for final approval and adoption. The Finance Committee assures that investment reports are provided to the Executive Committee and Board at least annually.

Investment Committee – The Investment Committee will be a sub-committee of the Finance Committee, the voting membership of which shall consist of no fewer than three (3) Trustees, (at least two (2) of whom shall also be members of the Finance Committee, so long as the latter committee remains in existence. In addition, the Finance Committee may appoint one or more individuals who are not Trustees to serve as voting, advisory members of the Investment Committee.

The purpose of the Investment Committee shall be generally to monitor the investment performance of the Endowment Fund, and to advise the Finance Committee on all matters relating to the Endowment Fund. Without limiting the scope of the Investment Committee's role, the Investment Committee shall:

- a) Establish investment guidelines and oversee implementation of those guidelines;
- b) Modify investment guidelines from time to time as the Investment Committee may deem advisable;
- c) Select, retain, monitor and review the performance of an outside investment advisor should it choose to select one in accordance with other provisions in this policy, and the investment performance of the Endowment fund generally;
- d) Make recommendations to the Finance and Executive Committee as to the advisability of accepting any assets subject to conditions or restrictions imposed by the testator or donor.
- e) Monitor and propose Investment Policy amendments.

The *Investment Committee* will monitor compliance of Cleveland Leadership Center investments. The Investment Committee is responsible for selecting an Investment Advisor when the fund balance exceeds \$1 million; and for working with the Cleveland Leadership Center Staff, and/or the Investment Advisor, to achieve long-term return objectives. This includes establishing, updating, and monitoring asset allocation guidelines and quality standards, and overall compliance with the objectives specified in this document and the Investment Committee Charter.

The Investment Committee reports to the Finance Committee at least twice annually and to the Board of Trustees at least annually.

CLC Staff – CLC Staff (includes the President and CEO, Vice President of External Affairs who oversees Development, and the Operations Director) reports to the Investment Committee, at least twice annually. Staff is responsible for oversight of Short-Term Investment portfolios, and other functions as identified in the organization's Investment Policy. The Staff assures that the internal approach is aligned with the Investment Policy. Their respective duties include:

- a) All day-to-day activities to monitor, invest, and control the assets and the implementation of any changes approved by the Investment Committee.
- b) Reporting, quarterly, to the Investment Committee, with periodic reporting to the Board, donors, and the public.
- c) Maintaining adequate documentation of due diligence and on-going monitoring of all investments to meet annual audit and IRS filing requirements.

Investment Advisor – the Investment Advisor is required to be engaged when the fund balance exceeds \$1 million. The Investment Advisor recommends fund, puts the portfolio together and is responsible for management of the funds. The Advisor reports no less than quarterly to the Investment Committee.

Fiduciary Duty – Each member of the Investment Committee, CLC Staff, Investment Advisor(s) and any other individuals charged with managing investments shall discharge his/her investment duties in good faith, in a manner reasonably believed to be in the best interests of CLC and its constituents, and with the care an ordinarily prudent person in a like-position would exercise under similar circumstances. A person who has special skills or expertise has a duty to use those skills or that expertise in managing and investing funds.

Members of the Investment Committee, CLC Staff, Investment Advisor and any other individuals charged with managing investments must provide full and fair disclosure to the Investment Committee of all material facts regarding any potential conflicts of interest.

Short-term Investment - Short-term investments are part of the account in the current assets section of a company's balance sheet. This account contains any investments that the Organization has made that will expire within 24 months.

Cleveland Leadership Center

Short-Term Investment Policy

Short-Term Investment Objectives

The primary investment objective is to achieve and maintain a high degree of safety and liquidity. The secondary objective is to maximize investment income taking into consideration investment risk and liquidity needs. Investments will be made in a manner that seeks to balance these goals for the overall portfolio. Specifically, investment activities shall be guided by the following priorities:

Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio by mitigating credit risk and interest rate risk.

Liquidity - The investment portfolio shall remain sufficiently liquid to meet all requirements that may be reasonably anticipated.

Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles.

Authority

The Cleveland Leadership Center staff is responsible for monitoring and ensuring the compliance of the objectives, guidelines and policies of the short-term investment policy guidelines and for reporting back to the Investment Committee at least twice quarterly. The selection of any specific equity, fixed income, mutual funds, common trust funds, and other investment vehicles may be delegated to such third party investment advisors as may be directed by the Investment Committee. Selection of such investment advisors must conform to the objectives, guidelines and policies of this statement, and be subject to customary standards of fiduciary prudence.

Liquidity

Cash that is not projected to be spent within one year may be invested in longer duration products so long as maturities are managed to provide adequate liquidity over a time horizon of up to three years.

Acceptable Investments

Funds projected to be needed within one year will generally be held on deposit with banks in regular checking or savings accounts or in money market funds defined as follows:

- ❖ Money Market Funds: comprised of short-term securities representing high-quality, liquid debt and monetary instruments; only those that have a net asset value are acceptable.

- Funds must have AAA credit rating
- Must provide 100% same day liquidity and seek to maintain constant net asset value of \$1/share

The following are also acceptable investments for time horizons up to two years:

- ❖ Certificates of Deposit: issued by financial institutions for specific maturities at a stated rate of interest, includes the Certificate of Deposit Account Registry Service (CDARS)
 - Must have maturities less than or equal to three years
- ❖ Commercial Paper: short-term debt instrument of a corporation
 - Must be rated A-2 / P-2 or higher or have credit enhancement with a bank-issued letter of credit
 - Must have maturities under three years
- ❖ Mutual Funds: professionally-managed pool of assets invested to produce income and capital gains for the investors and providing daily liquidity
 - Must be comprised solely of short-duration fixed income securities
 - Duration must be under three years
 - Fund must have a minimum of \$250 million under management
- ❖ Short-Term Corporate Bonds: high quality debt instruments of companies
 - Must be rated BBB or better
 - Must have maturities under three years
- ❖ U.S. Agency Notes: short-term obligations of United States government agencies or instrumentalities with remaining maturities of three years or less
- ❖ U.S. Treasury Bills: short-term obligations issued by the United States government with maturities of less than one year
- ❖ U.S. Treasury Notes or Bonds: longer-term obligations by the United States government with remaining maturities of three years or less
- ❖ Variable Rate Demand Notes: debt instrument of a municipal or corporate issuer that represents funds payable on demand and accrue at a prevailing market interest rate
 - Must be enhanced with a bank-issued letter of credit
 - Must be redeemable within seven days

Approved: Finance Committee – May 2, 2016
 Executive Committee – May 11, 2016
 Board of Trustees – June 29, 2016

Revised: Investment Committee – March 25, 2019
 Finance Committee – June 20, 2019
 Executive Committee – June 24, 2019
 Board of Trustees – June 26, 2019

Cleveland Leadership Center

Endowment Fund Policy

Purpose of the Endowment Fund

The primary purpose for which the Endowment Fund is to be established and maintained is to hold and invest assets on behalf of the Cleveland Leadership Center and thereby to provide a permanent source of income to be expended by the Cleveland Leadership Center in furtherance of its mission.

Investment Objective of the Endowment Fund

The Cleveland Leadership Center Endowment seeks to achieve a positive real return on investments over the majority of rolling five- and 10-year periods. A real return is any return in excess of spending (generally 5%), inflation and fees. Achieving a better than benchmark returns in any given period is not the primary investment objective. Although this may be a valuable tool to evaluate managers, the investment objective is to preserve capital and earn a long-term real return.

Authority

The Investment Committee, which is a sub-committee of the Finance Committee, is responsible for monitoring and ensuring the compliance of the objectives, guidelines and policies of this statement. The selection of specific equity, fixed income, mutual funds, common trust funds, and other investment vehicles may be delegated to such third-party investment advisors as may be directed by the Investment Committee. Selection of such investment advisors must conform to the objectives, guidelines, and policies of this statement, and be subject to customary standards of fiduciary prudence.

In the event the Board of Trustees decides to turn the Endowment Fund over to a dedicated holding authority, that organization's policies will prevail.

Regular Withdrawals from the Endowment Fund

The Cleveland Leadership Center may, as determined by the Board of Trustees or its designate, from time to time, make regular withdrawals of funds from the Endowment Fund and apply those funds for the purposes of the Cleveland Leadership Center. The Board of Trustees, or its designate, shall prescribe from time to time the maximum amount to be withdrawn from the Endowment Fund each year as regular withdrawals. Unless otherwise determined by the Board of Trustees or its designate, the organization is authorized to spend 5% of the 12-quarter average market value.

Loans

That Cleveland Leadership Center may, as determined from time to time by the Board of Trustees or its designate, make temporary withdrawals from the unrestricted portion of the Endowment Fund (“Loans”). The terms on which the Cleveland Leadership Center shall repay any such Loans to the Endowment Fund shall be as determined by the Board of Trustees at the time the withdrawal is authorized, and shall not be at less than the current market interest rate. The maximum amount of all such Loans outstanding at any time shall be determined by the Board of Trustees. The Board of Trustees will consider the ability to repay the loans in a reasonable timeframe as one of the main criteria in authorizing such loans.

Investment of Endowment Fund Assets

The Investment Committee, subject to the approval of the Executive Committee, shall be generally responsible for the selection of investments for the Endowment Fund and may retain help to select assets and determine asset allocations. When assets in the fund exceed \$1 million, the Investment Committee, subject to the approval of the Finance Committee and Executive Committee, will select and retain the services of an outside professional Investment Advisor to assist it in the selection of investments provided that (a) the Investment Committee communicates to any such outside Investment Advisor investment guidelines setting forth the rate of return to be sought and such other elements, including for example, the rate of capital appreciation to be sought or the approximate ratio between common stocks and fixed income investments to be maintained, as the Investment Committee may deem appropriate in the circumstances; (b) the Investment Committee receives and reviews no less than quarterly reports on investment performance from the outside Investment Advisor; and (c) the Investment Committee retains the right to terminate the use of the Investment Advisor with or without cause at any time. The Investment Committee shall submit reports on the investments held in, and the investment performance of, the Endowment Fund to Finance Committee and the full Board of Trustees not less frequently than twice each year.

Asset Allocation Range

In recognition of expected returns from financial assets, their volatility, and Endowment spending policies, the Endowment should be invested within a general range as established by the Investment Committee. The Committee will engage a professional Investment Advisor to manage the investments when the fund balance exceeds \$1 million.

Investment Guidelines

Investment guidelines will be established for fixed income, equities, and other investments by the Investment Advisor, when one is engaged, diversified among geographies, market capitalizations, style, industry, philosophy, and process as approved by the Investment Committee.

Investment Advisor Review

- *Objective:* Earn positive, real long-term returns (net of fees) over time; and grow the portfolio to support future spending needs.
- *Review:* The Investment Committee will meet at least twice annually with the Investment Advisor. At these meetings, the Advisor will provide, at a minimum, information regarding time-weighted performance, fees, and asset allocation.

While short-term performance will be monitored, the contribution of the Endowment's Investment Advisor will be evaluated based upon returns (net of fees) over rolling three-, five- and ten-year period. The Advisor's performance will be compared to appropriate benchmarks. The Investment Committee will review and report investment performance to the Board.

Periodic Board Review of the Endowment

The Investment Committee Chair reports to the Finance Committee and Executive Committee at least twice annually and to the Board of Trustees at least annually.

Approved: Finance Committee – May 2, 2016
 Executive Committee – May 11, 2016
 Board of Trustees – June 29, 2016

Revised: Investment Committee – March 25, 2019
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Cleveland Leadership Center
Gift Acceptance Policy and Guidelines

Cleveland Leadership Center, a not for profit organization organized under the laws of the State of Ohio, encourages the solicitation and acceptance of gifts to Cleveland Leadership Center (hereinafter referred to as the Organization) for purposes that will help the Organization to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Organization or for the benefit of any of its programs.

I. Purpose of Policies and Guidelines

The Board of Trustees of Cleveland Leadership Center and its Staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of the Organization. These policies and guidelines govern the acceptance of gifts by the Organization and provide guidance to prospective donors and their advisors when making gifts to the Organization. The provisions of these policies shall apply to all gifts received by the Organization for any of its programs or services. In general the Organization should seek to liquidate non-cash gifts that are accepted by the Organization into cash positions that can be invested within the guidelines of this Investment Policy as soon as is practical. This guideline should be considered as acceptance of non-cash gifts are being considered by the Investment Committee.

II. Authorities

The Staff is charged with the responsibility of reviewing all gifts made to Cleveland Leadership Center, properly screening and accepting and ensuring the gifts are properly acknowledged in writing, and ensuring the acknowledgement properly designates the intentions of the grantor (i.e., unrestricted, temporarily restricted or permanently restricted and for what purpose). The Staff is responsible for making recommendations to the Investment Committee on gift acceptance issues when appropriate. All updates to the Gift Acceptance Policy and Guidelines are to be approved by the Board of Trustees.

III. Use of Legal Counsel

Cleveland Leadership Center shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- 1) Closely held security or real estate transfers that are subject to restrictions or buy-sell agreements.
- 2) Gifts involving contracts, such as bargain sales or other documents requiring Cleveland Leadership Center to assume an obligation.
- 3) Transactions with potential conflict of interest that may invoke IRS sanctions.
- 4) Other instances in which use of counsel is deemed appropriate by the Investment Committee.

IV. Conflict of Interest

Cleveland Leadership Center will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Organization will comply with the *Model Standards of Practice for the Charitable Gift Planner* promulgated by the National Association of Charitable Gift Planners, shown as an appendix to this document.

V. Restrictions on Gifts

The Organization will accept unrestricted gifts, and gifts that are restricted for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. Any gift that is restricted for specific programs and purposes will be accepted only when accompanied by a Gift Agreement that is mutually agreed upon and signed by both the Donor and the Organization specifying the nature and intent of the restriction(s). The Organization will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Organization. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Investment Committee of the Organization.

VI. Types of Gifts

The following gifts are acceptable:

- Cash
- Tangible Personal Property
- Securities
- Real Estate
- Remainder Interests in Property
- Oil, Gas, and Mineral Interests
- Bargain Sales
- Life Insurance
- Charitable Gift Annuities
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Retirement Plan Beneficiary Designations
- Bequests
- Life Insurance Beneficiary Designations
- Any other assets approved by the Investment Committee

The following criteria govern the acceptance of each gift form:

1) Cash

Cash is acceptable in any form. Checks shall be made payable to Cleveland Leadership Center and shall be delivered to the Organization's administrative offices.

2) **Tangible Personal Property**

All other gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the mission of the Organization?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The Investment Committee of Cleveland Leadership Center shall make the final determination on the acceptance of other tangible property gifts.

3) **Securities**

The Organization can accept both publicly traded securities and closely held securities.

Publicly Traded Securities

Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Finance Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Investment Committee of Cleveland Leadership Center.

Closely Held Securities

Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to the approval of the Investment Committee of the Organization. However, gifts must be reviewed prior to acceptance to determine:

- There are no restrictions on the security that would prevent Cleveland Leadership Center from ultimately converting those assets to cash;
- The security is marketable; and
- The security will not generate any undesirable tax consequences or liability for the Organization.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Investment Committee of Cleveland Leadership Center and legal counsel shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4) **Real Estate**

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Organization shall require an initial environmental review of the property to ensure that the property has no environmental damage unless there are clearly no environmental issues with the property

as concluded on by the Investment Committee. Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, the Organization shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the Organization prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Investment Committee of the Organization and by the Organization's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Organization?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5) Remainder Interests in Property

The Organization will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. 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 Organization may use the property or reduce it to cash. Where the Organization receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

6) Oil, Gas, and Mineral Interests

The Organization 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 Investment Committee, and if necessary, by the Organization's legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas, and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate
- A working interest is rarely accepted. A working interest may only be accepted where/when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that the Organization has no current or potential exposure to environmental liability.

7) Bargain Sales

Cleveland Leadership Center will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Organization. All bargain sales must be reviewed and recommended by the Investment Committee and approved by the Board of Trustees. Factors used in determining the appropriateness of the transaction include:

- The Organization must obtain an independent appraisal substantiating the value of the property.
- If the Organization assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- The Organization must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
- The Organization must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

8) Life Insurance

Cleveland Leadership Center must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Organization will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Organization may:

- Continue to pay the premiums;
- Convert the policy to paid up insurance; or
- Surrender the policy for its current cash value.

9) Charitable Gift Annuities

Cleveland Leadership Center may offer charitable gift annuities. The minimum gift for funding is \$10,000. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. Cleveland Leadership Center President and CEO may approve exceptions to this payment schedule.

Cleveland Leadership Center will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. Cleveland Leadership Center may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the President and CEO of Cleveland Leadership Center approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to Cleveland Leadership Center's general endowment funds, operating funds, special projects, or to such specific fund as designated by the donor.

10) Charitable Remainder Trusts

The Organization may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Investment Committee of the Organization. The Organization will not accept appointment as trustee of a charitable remainder trust.

11) Charitable Lead Trusts

The Organization may accept a designation as income beneficiary of a charitable lead trust. The board of Cleveland Leadership Center will not accept an appointment as Trustee of a charitable lead trust.

12) Retirement Plan Beneficiary Designations

Donors and supporters of Cleveland Leadership Center will be encouraged to name the Organization as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Organization until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

13) Bequests

Donors and supporters of Cleveland Leadership Center will be encouraged to make bequests to the Organization under their wills and trusts. Such bequests will not be recorded as gifts to the Organization until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

14) Life Insurance Beneficiary Designations

Donors and supporters of Cleveland Leadership Center will be encouraged to name the Organization as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Organization until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

VII. Miscellaneous Provisions

Securing appraisals

It will be the responsibility of the donor to secure an appraisal (where required) for all gifts made to the Organization.

Valuation of gifts for development purposes

The Organization will record a gift received by the Organization at its valuation for gift purposes on the date of gift.

Responsibility for IRS Filings upon sale of gift items

The Staff is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Organization when the charitable deduction value of the item is more than \$5,000. The Organization must file this form within 125 days of the date of sale or disposition of the asset. IRS Form 8282 with Filing Instructions is attached as an appendix to these policies.

Acknowledgement of all gifts made to the Organization and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Staff of the Organization and will be made in accordance with IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions*.

VIII. Changes to Gift Acceptance Policies

This policy and guideline has been reviewed and accepted by the Board of Trustees of Cleveland Leadership Center. The Board of Trustees of Cleveland Leadership Center must approve any changes to, or deviations from, these policies.

IX. Appendix

- 1) Model Standards of Practice for the Charitable Gift Planner
- 2) IRS Form 8282, for the Sale, Exchange, or Other Disposition of Donated Property (with instructions)
- 3) IRS Publication 561, Determining the Value of Donated Property
- 4) IRS Publication 526, Charitable Contributions

Approved: Finance Committee – May 2, 2016
Executive Committee – May 11, 2016
Board of Trustees – June 29, 2016

Revised: Investment Committee – March 25, 2019
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Cleveland Leadership Center
Gift Acceptance Policy and Guidelines
Appendix

**Model Standards of Practice for the Charitable Gift Planner
from the National Association of Charitable Gifts**

A code of ethical practice for all professionals who work together to structure gifts that balance the interests of the donor and the purposes of the charitable institution.

PREAMBLE

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. FULL DISCLOSURE

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. COMPENSATION

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. COMPETENCE AND PROFESSIONALISM

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. CONSULTATION WITH INDEPENDENT ADVISORS

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

VII. CONSULTATION WITH CHARITIES

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION OF GIFT

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. FULL COMPLIANCE

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain. Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.