THE GREATER CINCINNATI FOUNDATION
GENERAL DEVELOPMENT
POLICIES AND GUIDELINES

Adopted May 28, 1997
Updated May 17, 1999
Revised December 6, 2000
Updated August 28, 2008
Revised January 9, 2013

I. PURPOSE.

A. The Greater Cincinnati Foundation ("GCF") has established a development program to further the charitable purposes and mission of GCF. Specifically, the development program seeks to help donors meet their charitable goals while benefiting the communities and organizations served by GCF. This requires an active effort on the part of GCF’s Governing Board ("the Board") and staff to promote the programs and opportunities offered by GCF and to respond promptly and appropriately to the needs and circumstances of donors and prospective donors to GCF.

II. IMPLEMENTATION.

A. Policies and Guidelines. It is the role of the Board to consider and adopt general gift acceptance and development policies for GCF. Such policies may include this statement of policy, as well as other policies and guidelines applicable to specific types of gifts and development efforts that may be adopted by the Board from time to time. GCF has formulated a Giving Strategies Plan which is updated and revised on a periodic basis to provide ongoing direction and goals for GCF's development efforts.

B. Role of Committees and Experts. While the Board has overall responsibility for establishing policies and direction for GCF’s development programs, two committees
appointed by the Board shall have particular roles and responsibilities with respect to development.

1. **Giving Strategies Committee.** The Giving Strategies Committee will keep the Governing Board focused on its role in asset development for GCF and will serve as a sounding board for and participant in task forces related to asset development and donor engagement, as well as communications and marketing where those tasks intersect with Giving Strategies work.

2. **Experts.** At the discretion of the President/CEO, other experts may be called upon to assist in making the decision to accept or decline a gift.

C. **Authority to Negotiate.** The President or Vice President for Giving Strategies or Vice President for Finance and Administration will have the overall authority to handle inquiries, negotiate with donors, assemble documentation, retain expert and technical consultants, and execute agreements on behalf of GCF. Assuming such activities follow approved policies and procedures and assuming such agreements are approved by GCF’s legal counsel, this authority to act will not require review or further approval by the Board. The President or Vice President for Giving Strategies or Vice President for Finance and Administration may refer any proposed gift transaction to the Gift Acceptance Committee for review and advice.

D. **Donor Recognition.** GCF recognizes the paramount role of donors and their gifts to GCF in achieving its charitable purposes. In carrying out GCF’s development program, staff will recognize and acknowledge donors in appropriate ways both publicly and privately, subject to the confidentiality provisions of Section E below. GCF staff will establish appropriate ongoing programs and systems for educating and informing donors and prospective donors to GCF about GCF, its activities, and the charitable needs of the communities served by GCF.

E. **Confidentiality.** All agreements with donors and all information concerning donors and prospective donors shall be held in strict confidence by GCF, subject to legally authorized and enforceable requests for information by governing agencies.
and courts. All other requests for or releases of information concerning a donor will be honored or allowed only if permission is obtained from the donor prior to the release of such information.

F. **GCF’s Legal Counsel.** GCF shall seek the advice of legal counsel when appropriate in matters pertaining to its development program. All agreements, contracts, and other legal documents relating to the development programs may be reviewed by legal counsel prior to execution or use, with the exception of standard form documents described in Section G below.

G. **Standard Form Documents.** For administrative ease and convenience, GCF has developed standard forms of fund agreements and other documents relating to GCF’s development program as deemed appropriate. All such standard forms and revisions may be reviewed by legal counsel. The President and the Vice President for Giving Strategies may update the standard form documents as needed and within the parameters of then-current law. GCF will provide standard forms to a prospective donor and the donor’s advisers upon request and encourage their use whenever practicable.

H. **Donor’s Counsel.** GCF’s staff will encourage prospective donors to have the terms of all proposed agreements reviewed by the donor’s own legal or financial advisers. The donor should also be advised that it is the donor’s responsibility to obtain any necessary appraisals, file appropriate tax returns, and defend against any challenges to claims for tax benefits.

I. **Promotion and Public Education.** GCF’s mission and activities and the needs of the community will be well served by active promotion and community education concerning such activities and needs. Accordingly, GCF staff shall develop and implement, on an ongoing basis and with appropriate Board supervision and involvement, events and materials for public promotion and education. The policy of GCF is to inform, serve, guide, or otherwise assist donors who wish to support GCF’s activities, but never under any circumstances to pressure or unduly persuade.
J. **Material Restrictions.** GCF reserves the right to convey or use gifts without restrictions. In conformity with Treasury Department regulations governing community foundations, gifts to GCF may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents GCF from freely and effectively employing the transferred assets, or the income derived therefrom, in furtherance of its exempt purposes.

III. **GIFTS TO GCF.**

A. **Forms of Gifts.** Gifts to GCF may take a variety of forms. Many are outright gifts by living donors either on a one-time or a periodic basis. Others are bequests and testamentary gifts that take effect upon the donor’s death. Some are other forms of deferred or split-interest gifts.

B. **Tax Deductibility of Gifts.** The amount of allowable deduction for each gift will be determined subject to the Internal Revenue Service (IRS) rules related to the type of gift accepted. GCF will not provide tax advice.

C. **Acceptance Policies for Outright Gifts.** All proposed non-cash gifts will be assessed on a case-by-case basis. Gifts to GCF must comply with the Gift Acceptance Policies for the relevant type of gift as outlined below. GCF reserves the right to refuse any gift that it believes is not in the best interests of the donor or GCF.

D. **Gifts of Cash:** GCF will accept an outright gift of cash of any amount.

E. **Mortgages and Notes.** Gifts of mortgages, promissory notes, and similar instruments will be accepted only in exceptional circumstances.

F. **Bargain Sales.** A “bargain sale” is a sale of property to GCF for an amount less than the property’s current fair market value. The excess of the value over the sales price represents a contribution. GCF, upon approval of the President and GCF’s legal counsel, may purchase property on a bargain sale basis. The amount of the
allowable deduction for a bargain sale will be subject to the rules of the Internal Revenue Service relating to bargain sales.

G. For the following types of assets, see the appropriate gift acceptance policy:

1. **Publicly-Traded Securities.** GCF will accept gifts of publicly-traded stocks and bonds at fair market values as determined under IRS rules. As a general rule, gifts of publicly-traded securities will be sold as soon as possible, and the fund designated to receive the gift will be credited with the proceeds from the sale, after commissions and expenses, if any.

2. **Tangible Personal Property.**

3. **Life Insurance Policies.**

4. **Real Property.**

5. **Closely-Held Stock and Partnership Interests.**

**Note: Excess Business Holdings.**
Gifts of business interests to a donor advised fund may raise the issue of excess business holdings under the Pension Protection Act and Internal Revenue Code section 4943. Excess business holdings exist when the holdings of a donor advised fund together with the holdings of disqualified persons exceed 20% of the voting stock of the incorporated business, 20% of the profit interest of a partnership or joint venture, or 20% of a beneficial interest of a trust or similar entity. In such a case, GCF must (by law) divest of the excess business holdings within a period not exceeding five years.

IV. **PLANNED GIVING ARRANGEMENTS.**

A. **Forms of Planned Gifts.** GCF’s planned giving program encompasses gifts whose benefits do not fully accrue to GCF until some future time (such as the death
of the donor or other income beneficiaries or the expiration of a predetermined period of time), or whose present benefits to GCF are followed by the future interests to noncharitable beneficiaries. Planned giving opportunities offered by GCF include the following:

1. **Charitable Remainder Unitrust.**

2. **Charitable Remainder Annuity Trust.**

3. **Pooled Income Fund.** Due to the changing economic situation, GCF no longer offers a pooled income fund option to donors.

4. **Charitable Gift Annuities.** For more details, see GCF’s separate Policy and Procedure for Charitable Gift Annuities.

5. **Life Estate Agreement.** These types of gifts will be evaluated in accordance with GCF’s Gift Acceptance Policy for Real Property.

6. **Charitable Lead Trust.**

7. **Gifts by Will or Trust.** Sample bequest language for Designated, Scholarship, Field of Interest and Community Fund gifts will be made available to donors and their attorneys to insure that the bequest is properly designated.

V. **Acceptance Policies and Guidelines.**

A. **Disclosures to Donor.** GCF’s staff should disclose to a prospective donor the benefits and liabilities that could reasonably be expected to influence the donor’s decision to make a gift to GCF. In particular, the donor should be advised that all gifts (other than testamentary gifts and certain planned gifts) are irrevocable, are subject to GCF’s Service Fee and Investment Fee Schedules, and items subject to variability (such as market value, investment return, and amount of income payments)
should be discussed fully. The donor should be advised of the recommendation to create a separate fund only if it would be sustainable based on the fee schedules. Donors are encouraged to review benefits, liabilities, and tax consequences of any donations with the donor’s tax or legal advisors before the gift is made.

B. **Fund Requirements.** Gifts to establish a separate fund at GCF must be sustainable based on the current fee schedule. A donor may establish a fund in a single transaction. For testamentary gifts, unless a donor specifically requests to set up a new fund, GCF may decide, as deemed appropriate, to only activate a new fund based on the fee schedule. Therefore, GCF may decide to automatically direct the gift to current grantmaking purposes in line with the donor’s intent rather than establish a new fund if the minimum fee would apply to the new fund. Any gift accepted by GCF that does not specify which fund is to benefit, and the donor’s intent cannot be determined within a reasonable time, will be directed to GCF’s general Community Fund. If no investment manager is named, an investment manager will be selected by the Vice President of Finance and Administration. GCF will, through the written fund agreement and GCF’s founding documents, reserve the right to exercise its variance power to broaden or alter restrictions on endowment funds, should it be determined that the original purpose has become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of Greater Cincinnati and vicinity.

C. **Trustee.** GCF will not serve as trustee of charitable remainder trusts, charitable lead trusts, or other trust arrangements, and will recommend that the donor seek the services of a personal or professional trustee. To avoid personal conflicts of interest, no member of the staff of GCF may knowingly serve as trustee or executor for a donor or prospective donor without the permission of the President/CEO of GCF.

D. **Distribution of Proceeds.** Given the mission of GCF, GCF encourages donors to designate a Community Fund or funds as the ultimate recipient of the future proceeds of their deferred gift arrangements. However, the donor may designate

---

1 For example, a donor advised fund of $25,000 equalizes the minimum fee.
one or more donor-advised, field of interest, designated or scholarship funds to receive the proceeds of deferred gift arrangements at the time of maturity.

From time to time, a donor may want GCF to distribute the proceeds of deferred gift arrangements at the time of receipt to charities other than GCF. In these cases, the balance of the proceeds which do not remain with GCF may be distributed to other charitable organizations, provided that such charitable organizations qualify as such under Section 501(c)(3) and are described under Section 170(b)(1)(A) of the Internal Revenue Code, and provided that at least the greater of $25,000 or 20% of the proceeds remains in a fund of GCF that is designated as the recipient of the proceeds. To facilitate grants to be made from the proceeds of a deferred gift, the fund receiving the proceeds will be deemed to be a temporary donor advised fund. The donor should submit a letter to GCF setting forth his or her suggestions for distribution of the proceeds upon receipt by GCF. It should be understood by the donor that such recommendations are advisory, and that GCF retains the ultimate authority to direct distributions of maturing gift proceeds, taking into account the charitable uses and purposes of GCF at the time such distributions are to be made as well as the tax status of the recipients. Such temporary donor-advised fund may convert to another type of fund following processing of such one-time grant suggestions.

E. Review. The Board may revise, amend or supplement these Policies and Guidelines at any time. GCF shall periodically review all gift acceptance and development policies to ensure they continue to accurately describe the policies of GCF. GCF may update such policies as needed and will submit any revisions to the Board for approval.