Fabretto Children’s Foundation Gift Policy

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Mission
Fabretto Children's Foundation Inc “FCF” is a 501c3 non-profit organization whose mission is to empower underserved children and their families in Nicaragua to reach their full potential, improve their livelihoods, and take advantage of economic opportunity through education and nutrition.

Statement of Purpose
FCF solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. This policy serves as a guideline for the FCF Gift Acceptance Committee, staff, board members, and outside advisors who assist in the gift planning and solicitation process, and prospective donors who wish to make gifts to FCF of unrestricted or restricted funds. The following policies and guidelines govern acceptance of gifts made to FCF or the benefit of any of its operations, programs or services. Bequests can help organizations that are making an important difference in the world and are essential for ensuring the good work they do continues into the future.

Conflict of Interest
FCF urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. FCF does not provide legal advice to prospective donors. It is the sole responsibility of the donor, when appropriate, to seek the assistance of personal legal and financial advisors to guide their decisions in matters relating to their gifts and the resulting tax and estate planning consequences. FCF will conform to the Model Standards of Practice for the Charitable Gift Planner promulgated by the Partnership for Philanthropic Planning (formerly the National Committee on Planned Giving). Please reference the attached addendum to review the Model Standards of Practice.

Gift Definition
Property, money or assets that one person transfers to another while receiving nothing or less than fair market value in return. The following criteria generally identify a gift:
1. A gift is motivated by philanthropic intent.
2. Gifts are irrevocable transfers of assets. FCF is not obliged to return unexpended funds. (If for some reason, FCF is unable to comply with the donor’s intent, or if the gift has been misdirected to FCF, a return of gift may be issued at FCF’s discretion, less any out of pocket expenses. The Gift Acceptance Committee is authorized to approve the return of a gift.)
3. Gifts are not generally subject to an exchange of consideration or other contractual duties between FCF and the donor, except for certain deferred gifts as set out in this Policy, although objectives may be stated and funds may be restricted to a specific purpose.
4. A period of performance is not specified.
5. A gift is not completed until it has been accepted by FCF.

Acceptance of Gifts
Gift acceptance decisions are a FCF matter. The Fabretto Board of Directors has authorized the Gift Acceptance Committee, comprised of three representatives of the Fabretto Board of Directors, to accept gifts on behalf of FCF, in consultation with the Executive Director. The committee will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:
1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Documents naming FCF as trustee or requiring FCF to act in any fiduciary capacity.
3. Gifts involving contracts, such as bargain sales or other documents, requiring FCF to assume any obligation.
4. Transactions with potential conflicts of interest.
5. Gifts of property which may be subject to environmental or other regulatory restrictions.
6. Any other instances in which use of counsel is deemed appropriate by FCF’s leadership.

**Restrictions on Gifts**
As stated in this Policy, gifts must be reviewed and approved by the Gift Acceptance Committee prior to acceptance. FCF will not accept gifts that:
1. Would result in FCF losing its status as a 501(c)(3) not-for-profit organization.
2. Are too difficult or too expensive to administer in relation to their value.
3. Would result in any unacceptable consequences for FCF.
4. Are for purposes outside FCF’s mission.

**Restricted or Unrestricted Gifts**
A gift made to FCF may be either restricted or unrestricted.
1. **Unrestricted funds** - are donations that are available for the nonprofit to use toward any purpose.
2. **Restricted funds** - can only be used for specific purposes or identified program that contributes to the benefit of FCF. If the restrictions placed on the use of funds contributed to FCF have been rendered illegal, unreasonable or unable to be fulfilled, and if the donor(s) are unavailable to alter the account restrictions, FCF may consult with counsel and, if necessary, seek approval of a court to remove or modify such restrictions.

**Types of Gifts**

**Bequest by Will**
Including a charitable bequest in your will is a simple way to make a lasting gift to FCF. You can leave a bequest to FCF by adding to an existing will or drafting a new one. Make a gift of a stated dollar amount, specific property, a percentage of your estate, or the remainder after distributions to other beneficiaries. In doing so you leave a legacy to FCF and your community, yet preserve and enjoy assets you might need during your lifetime. Plus, the assets distributed to FCF are exempt from estate tax.

**Marketable Securities**
FCF may accept gifts of publicly traded securities, including stocks, mutual funds, municipal and corporate bonds, and treasury bills and notes. Donated securities are likely to be sold immediately by FCF. Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the donor’s endorsement or signed stock power (with appropriate signature guarantees) attached. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Gift Acceptance Committee. For FCF’s gift crediting and accounting purposes, we adhere to the IRS regulations.

**Closely Held Securities**
Closely held or non-publicly traded securities may be accepted only after prior review and approval by FCF. Such securities will be carried at market value until audited financial statements are provided to FCF so that market value can be substantiated, or the donor provides a qualified appraisal in compliance with IRS regulations. Securities can be repurchased by the issuer, officer, or director of the issue at the established book value. Gifts of securities that require a holding period will be accepted and sold when the holding period has expired.

**Charitable Remainder Trust**
Giving through a Charitable Remainder Trust allows you to receive income or a specific payment for the rest of your life or a specified term of years, knowing that whatever remains will benefit FCF.

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You transfer assets into a trust and receive quarterly distributions. The trust distributes regular payments to you or to designated family members or other beneficiaries. You may choose to receive a fixed payment or one that changes with the value of the trust assets; payments can begin immediately, or you can defer them to increase your charitable income tax deduction. The amount of the payments and the amount of the charitable tax deduction depends on the age of the recipient and the applicable federal rate for determining the present value of an interest for a term of years. Upon the beneficiary's death or after a defined period of years, the remaining assets in the trust will transfer to FCF. The minimum amount for a Charitable Remainder Trust bequest is $100,000.

**Charitable Lead Trust**
A Charitable Lead Trust permits you to remove assets from your estate and benefit FCF during the trust's term. Assets selected by you are transferred into a trust, which pays FCF an annual amount to accomplish its mission. During its term, the trust can be managed by experienced professionals, which may help your trust investments grow over time. When the trust terminates, either upon your death or after a specified number of years, its final assets are transferred to the family members or other beneficiaries you designate. The minimum amount for a Charitable Lead Trust bequest is $1 Million.

**Tangible Personal Property (Gifts In-Kind)**
FCF may consider gifts of tangible and other personal property, including but not limited to works of art, patents, copyrights, antiques, stamp and coin collections, jewelry, furniture, rare book, manuscripts, or any other item that has a determinable value. The Gift Acceptance Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: does the property further the organization’s mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?

**Real Estate**
Real estate gifts can include personal residences, rental properties, office buildings, land, and other structures. As real estate can be highly illiquid, costly to maintain, and have pre-existing conditions attached to it, any gifts of real estate will be carefully scrutinized and the decision to accept or decline the gift will be made by the Gift Acceptance Committee. The property shall be physically inspected by a representative of FCF along with a property management consultant. The inspection is to identify any environmental, financial, legal, marketing or public relations risks, hazards or liabilities. The property will also be subject to a Phase I environmental audit before a gift can be accepted. The cost of the survey shall be borne by the donor. Upon review of the survey, the consultant shall recommend acceptance or declination of the gift. Unless otherwise negotiated, gifts of property will be converted into cash at the earliest opportunity keeping in mind current market conditions and the use of property in the accomplishments of the mission of FCF. Gifts will not be accepted that may expose FCF to material or personal liabilities as owners of the property. If property is encumbered by indebtedness, the donor will be requested to provide for the payment of carrying costs until the property is liquidated.

**Life Insurance**
Life Insurance bequests are welcome and a variety of options are available for consideration.

**Gifts from Retirement Plans**
Donors can choose to donate retirement plan assets because the assets may be heavily taxed when passed to non-spouse beneficiaries. Making a future gift of retirement plan assets simply
requires a designation of FCF as the beneficiary of the plan. Making a present gift of retirement
account assets during your lifetime has been permitted under recent law for certain tax years; check
with your tax advisor before making a gift of retirement plan assets.

**Legal and Professional Fees**
Legal and professional fees for completion of the gift are the responsibility of the donor.

**Contact**
A planned gift will help you combine your philanthropic passion with your financial needs and tax
planning. Please reference the attached addendum for more Planned Giving policies and
information. Contact Fabretto’s U.S. office (703-525-8716) if you have any questions about naming
Fabretto Children's Foundation in your will or living trust. We are here to help you, without
obligation. We recommend that you consult with your tax advisor or planning professional to review
all of these Planned Giving opportunities.