



TEMPLE ISRAEL
MINNEAPOLIS

Temple Israel Foundation
GIFT ACCEPTANCE POLICY and GUIDELINES

Adopted January 25, 2023

Amended _____

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TABLE OF CONTENTS

I	Purpose of Gift Acceptance Policy and Guidelines.....	3
II	Relationship with Temple Israel of Minneapolis	3
III	Role of the Executive Committee of the Board	3
	A. Responsibilities of the Executive Committee	4
	B. Authority of the Executive Committee	4
IV	Gift Definition	4
V	Gift Designation	5
	A. Unspecified Purposes	5
	B. Specified Purposes.....	5
	C. Release or Modification of Restricted Purposes	5
VI	Types of Gifts.....	6
	A. Gift Pledges.....	6
	B. Outright Gifts	6
	1. Cash and Checks.....	6
	2. Credit Card Contributions.....	6
	3. Wire Transfer of Funds.....	6
	4. Publicly Traded Securities & Mutual Fund Shares	7
	5. Closely Held Securities.....	7
	6. Cryptocurrency.....	8
	7. Gifts of Real Estate.....	8
	8. Tangible Personal Property.....	9
	9. Other Non-Traditional Asset Gifts.....	11
VII	Deferred and Split Interest Gifts	11
	A. Deferred Gifts	11
	1. Bequests.....	11
	2. Life Insurance Policies.....	12
	3. Deferred Annuity Contracts.....	12
	B. Split Interest Gifts	12
	1. Real Property with Retained Life Estates	13
	2. Charitable Remainder Trusts	13
	3. Charitable Lead Trusts.....	14
VIII	Gift Acknowledgments and Credit	14
	A. Acknowledgements.....	14
	B. Donor Recognition by the Temple.....	14
IX	Use of Legal Counsel.....	14
	A. Donor's Use of Legal Counsel	14
	B. Foundation's Use of Legal Counsel.....	14
X	Fees and Expenses	15
	A. Finder's Fees or Commissions.....	15
	B. Professional Fees.....	15
XI	Policy Amendment and Review	15
XII	Policy Effective Date.....	15

I Purpose of Gift Acceptance Policy and Guidelines

Temple Israel Foundation (the “Foundation”) is a Minnesota nonprofit corporation that is qualified as a charitable and religious organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and as such is eligible to receive contributions that are tax-deductible by donors. Its primary activity is the development and administration of gifts made to the Foundation for the benefit of Temple Israel of Minneapolis (the “Temple”). To facilitate fundraising, the Board of Directors of the Foundation (the “Board”) has developed guidelines to clearly define appropriate procedures on how it will accept and manage gifts.

The purpose of this Gift Acceptance Policy and Guidelines (the “Policy”) is to: (a) provide guidance to all parties involved with the solicitation, acceptance, and disposition of charitable gifts to the Foundation, (b) protect the interests of the Foundation, (c) ensure that all gifts accepted by the Foundation are used to enhance the activities of the Temple; and (d) provide guidance to donors and their professional advisors in completing gifts so that there is a clear and transparent process which all interested parties can follow.

All proposed gifts to the Foundation should, except as otherwise authorized, comply with this Policy, regardless of whether such gift is accepted or declined by the Foundation. This Policy applies to all fundraising activities of the Foundation, whether undertaken by the Foundation itself, or by others on behalf of the Foundation.

II Relationship with Temple Israel of Minneapolis

Temple Israel of Minneapolis is a Minnesota nonprofit corporation that is qualified as a charitable and religious organization under Code Section 501(c)(3), and as such is eligible to receive contributions that are tax-deductible by donors. The Temple is a highly respected and central part of the Twin Cities Jewish community. The costs to operate Temple Israel are funded through the generosity of its members and the community to the Temple and the Foundation.

The Foundation accepts gifts designated for an “endowment fund,” and the Temple asks that donors who wish to make gifts designated for an “endowment fund” make such gifts to the Foundation, rather than to the Temple. An “endowment fund” for these purposes is a gift that is restricted as to spending such that it is not wholly expendable on a current basis. Endowment funds may be further classified as unrestricted or restricted as to use, in addition to being restricted as to spending.

The Foundation accepts deferred gifts, including bequests through a will or a revocable trust that becomes effective upon the donor’s death, gifts of life insurance policies, split interest gifts such as real property with a retained life estate, charitable remainder and charitable lead trusts. The Temple asks that donors who wish to make such gifts designate them to the Foundation, rather than to the Temple.

III Role of the Executive Committee of the Board

The policies and procedures contained in this Policy should be viewed only as guidelines due to the reality that successful fundraising requires a degree of flexibility by all parties. It is recognized that there are some situations where greater deliberation is required in determining whether an offered gift can be accepted in furtherance of the Foundation’s mission. In order to deal with these more complex situations, streamline the gift negotiation process, as well as to enable accountability for the acceptance and stewardship of the variety of gifts to the

Foundation, the Board delegates authority to the Executive Committee of the Board (the “Executive Committee”), which has the responsibilities and authority set forth below. The Board may, however, at any time, alter such responsibilities by resolution.

A. Responsibilities of the Executive Committee

1. To ensure the proper application of the policies contained within this Policy;
2. To ensure that gifts are accepted that will enhance the mission of the Temple;
3. To periodically review the policies contained within this Policy and to make recommendations to the Board for amendments and additions to the policies and guidelines contained herein;
4. To review and consider the acceptance of endowment funds offered by donors;
5. To review and consider deferred and planned gifts to the Foundation other than cash or publicly traded securities and to determine the appropriate valuation to be placed on these gifts for purposes of providing donor credit; and
6. To perform such other functions and duties as may be assigned by the Board.

B. Authority of the Executive Committee

The Executive Committee shall have the power and authority, in the name of the Foundation, subject to the authority and oversight of the Board, the laws of the State of Minnesota, the By-Laws, the Certificate of Incorporation of the Foundation and this Policy, to accept or reject charitable gifts offered to the Foundation. Furthermore, the Executive Committee shall have the power and authority which may be reasonably necessary to effectuate the policies set forth in this Policy.

IV Gift Definition

A gift is defined as a voluntary transfer of assets from a person or an organization to the Foundation. Gifts usually take the form of cash (including checks and credit card charges), securities, real estate or personal property. The Executive Committee may accept or decline any gift. The following elements, generally, identify a gift:

- A gift is motivated by charitable intent.
- Gifts are irrevocable transfers of assets.
- Gifts are not subject to an exchange of consideration or other contractual duties between the Foundation and the donor, except for certain split-interest gifts as set out in this Policy, although objectives may be stated and funds may be restricted to a specific purpose or may be restricted as to spending, such as endowments.

- Once a gift is made to the Foundation, the donor no longer controls use of the gift. The Foundation may seek the donor's advice when deciding specific uses of the gift within any pre-established restrictions, but the Foundation is not legally obligated to do so.
- A general report to the donor stating the utilization or impact of the gift is appropriate, and may be desirable. Donors are not provided formal financial accountings.

A gift, other than an unrestricted gift of cash, securities, bonds or mutual funds, is not completed until it has been accepted by the Executive Committee or other authorized person(s)/body, according to the processes and procedures outlined in this Policy.

V Gift Designation

Notwithstanding anything in this Policy to the contrary, or any action taken by the Foundation, the Board, its agents, employees or representatives:

A. Unspecified Purposes

When the Foundation receives and accepts gifts, other than testamentary gifts, without donor instructions, and the donor cannot be reached, such gifts should be transferred to the Temple and designated for the Temple's Annual Fund. When the Foundation receives and accepts testamentary gifts without donor instructions, such gifts should be designated for the Foundation's unrestricted endowment fund.

B. Specified Purposes

No gift that is restricted for use for a specified purpose should be accepted unless that purpose is approved in advance by the Executive Committee and the Foundation acknowledges to the donor the receipt and purpose of such gift, in writing, and in such acknowledgement shall have accepted said restriction.

C. Release or Modification of Restricted Purposes

Donor restrictions as to purpose are generally legally binding on the Foundation, and the Executive Committee should consider any purpose restriction carefully before accepting it. Unless a written agreement with the donor permits the Foundation to release or modify the restriction, the restriction may be released or modified under Minnesota Statutes 309.755 only in the following situations: 1) the donor (not the donor's heirs) provides written consent; 2) a court issues an order in a *cy pres* action; or 3) if the Foundation determines that the restriction is unlawful, impracticable, impossible to achieve, or wasteful, it may release or modify a restriction 60 days after providing notice to Minnesota's Attorney General, but only if: 1) the fund subject to the restriction has a total value of less than \$50,000; 2) more than 20 years have elapsed since the fund was established, and 3) the Foundation will use the fund in a manner consistent with the charitable purposes expressed in the original gift instrument.

VI Types of Gifts

A. Gift Pledges

The Foundation may accept unconditional promises, in writing, to give, known as “pledges.” Payment terms will be defined jointly by the donor and the Executive Committee, or its designee.

Suggested language for pledge card:

Subject to the provisions of this pledge agreement, my gift under this pledge agreement is intended as an irrevocable and binding commitment. I understand that Temple Israel Foundation will rely on this pledge in administering its programs. To the extent such pledge is not paid in full during my lifetime, I understand that the pledge will be treated as a contracted obligation of my estate. Moreover, it is understood and agreed that Temple Israel Foundation may in its discretion refer publicly to my gift in order to encourage others to make similar gifts to Temple Israel Foundation. In addition, I agree to abide by the policies and terms outlined in the Temple Israel Foundation Gift Acceptance Policy.

B. Outright Gifts

An outright gift involves the donor’s voluntary, intentional, and complete transfer of money or property to the Foundation, without expectation of receiving a benefit in exchange, apart from intangible religious benefits. A donor may at the time of the gift (but not afterwards) designate a particular use for the gift, in which case it is a “restricted gift” or a gift for a “restricted purpose.” Donor restrictions made at the time of the gift are generally legally binding on the Foundation, while any terms that the donor seeks to impose later are advisory only. Examples of transfers that may constitute outright gifts include transfers of cash, securities, cryptocurrency, tangible personal property and some real estate gifts.

1. Cash and Checks

Cash and checks may be accepted regardless of the amount. All checks should be made payable to Temple Israel Foundation.

2. Credit Card Contributions

Funds may be transferred by a donor to the Foundation using credit card payment.

3. Wire Transfer of Funds

Funds may be transferred to the Foundation by wire or other similar electronic means from a donor’s bank and other financial accounts. Donors should consult a representative of their financial institution to make such contributions. Donors should also be advised to consult the Foundation prior to making such transfers to ensure proper gift credit.

4. Publicly Traded Securities & Mutual Fund Shares

Securities that are traded on the New York and American Stock Exchange, as well as other major recognized exchanges, and the NASDAQ, may be accepted by the Foundation. For purposes of this Policy, mutual fund shares should be treated in the same way as publicly traded securities. Both categories are referred to here collectively as “Marketable Securities.”

Gifts that are received in the form of Marketable Securities will be sold as soon as possible.

Exceptions may be made in cases where securities laws may preclude immediate sale. In no event should any donor be advised that the Foundation will retain Marketable Securities unless the Executive Committee has first approved any such agreement by the Foundation.

Before transferring Marketable Securities, donors should be advised to notify the Foundation of the number of shares, the intended gift date and the intended purposes of the gift, if any, of the gift (for example, annual campaign, satisfaction of member pledge, endowment, etc.).

5. Closely Held Securities

Securities, other than Marketable Securities, including but not limited to stock in closely held corporations (including stock in any S corporation), partnership interests, whether limited or general, and limited liability company interests, and restricted securities (also known as unregistered securities, investment-letter stock, control stock or private placement stock) (collectively referred to as “Closely Held Securities”) may be accepted *only* upon the approval of the Executive Committee. The Executive Committee should, prior to approving the acceptance of a gift of Closely Held Securities, consult with the Foundation Board Treasurer, the Temple’s Advancement Director or the staff member primarily responsible for philanthropy, and the Temple’s Chief Operating Officer or staff member primarily responsible for administration, in consultation with the Foundation outside experts, as deemed advisable. Shares in S corporations and general partnership interests in particular may raise significant federal tax issues for the Foundation that should be considered prior to accepting such gifts.

It may be challenging to value Closely Held Securities due to infrequent trading. Ownership of such securities may raise a number of issues, such as compliance with shareholder restrictions, obligations to fund capital calls, tax issues and other factors. Prior to accepting any Closely Held Securities, the donor must provide the Executive Committee with one or more of the following items as directed by the Executive Committee: (i) an independent qualified appraisal from an appraiser selected by the Executive Committee, (ii) true and complete copies of all agreements affecting such Closely Held Securities (e.g., stockholder agreements, operating agreements, partnership agreements), (iii) true and complete copies of the federal and state income tax returns for the issuer of such Closely Held Securities for the previous five years, and (iv) such other and additional documents as the Executive Committee shall request.

The Executive Committee should consider the following factors when determining whether to accept a gift of Closely Held Securities: (i) valuation, timing, conditions of transfer and ease of conversion to cash, (ii) the likelihood of a buyer being found within 180 days, (iii) tax consequences of ownership, and (iv) whether the gift is of sufficient value that the Foundation will realize a benefit after covering all costs (including but not limited to legal, administrative, holding, maintenance, tax and sale costs) associated with the gift.

The Executive Committee may require any donor to pay all, or any portion of the costs incurred in transfer of Closely Held Securities. In no event should the Foundation pay for an appraisal.

Gifts that are received in the form of Closely Held Securities will be sold as soon as practicable, provided, however, there must be no: (i) commitment for repurchase or sale of such Closely Held Securities in a transaction with the donor or any other party prior to the completion of the gift, or (ii) representations made with respect to whether the Foundation would consider such a transaction after the completion of the gift.

6. Cryptocurrency

The Foundation may, upon the approval of the Executive Committee, accept gifts of cryptocurrency, that is, digital or virtual currency, that are regularly-traded on an exchange, such as Bitcoin, Ethereum, and XRP, or that are otherwise easily transferrable and convertible into cash. ***Gifts in the form of cryptocurrency will be liquidated as soon as possible.*** The Executive Committee is authorized to determine the manner in which the Foundation may accept such gifts, such as through a third-party facilitator of such gifts that provides tax receipt and liquidation services or through direct transfers.

Cryptocurrency is treated as property, and not as cash, for federal tax purposes. Donors of cryptocurrency are therefore subject to the same substantiation requirements, including “qualified appraisals” for gifts with a value of more than \$5,000, as are donors of other property for purposes of claiming a charitable contribution deduction. Donors of cryptocurrency should be specifically advised to seek tax or legal counsel regarding such requirements.

7. Gifts of Real Estate

The Foundation may accept testamentary gifts of real estate and lifetime gifts of real estate with a retained life estate. The Foundation asks donors to designate the Temple to receive lifetime gifts of real estate without a retained life estate.

Gifts of real estate may include both improved and unimproved land and property. Real estate gifts may be accepted only after approval by the Board upon the recommendation of the Executive Committee. Prior to submission of a proposed gift of real estate to the Board for approval, the Executive Committee should consult with the Board Treasurer, the Temple’s Advancement Director or the staff person primarily responsible for philanthropy, and the Temple’s Chief Operating Officer or the staff person primarily responsible for administration, along with such outside experts as deemed advisable, and should provide a recommendation as to the course of action to be taken by the Board.

Prior to the Foundation accepting any gift of real estate, the donor or the donor’s estate, at its own cost and expense, must provide the Executive Committee with one or more of the following items as directed by the Executive Committee: (i) an independent appraisal from an appraiser selected by the Executive Committee, (ii) a title insurance commitment showing marketable title in the Donor’s name, free and clear of unacceptable encumbrances, issued by a title insurance company deemed acceptable by the Executive Committee, (iii) a Phase I environmental audit by a qualified engineer indicating that ownership will not expose the Foundation to environmental liabilities, (iv) a market feasibility study for the property, (v) ALTA (American Land Title Association) survey of the property by a registered land surveyor, (vi) evidence of compliance with Americans with Disabilities Act (when applicable), (vii) a structural engineering report, when applicable, (viii) copies of all leases and corresponding documents including but not limited to proof of tenant’s insurance, (ix) a disclosure statement for residential property when applicable, including any mineral, oil or gas rights, and (x) such other and additional documents as the Executive Committee may request. In the event that a Phase I environmental audit indicates the potential presence of environmental contaminants, the Advancement Committee should ask the donor to provide a Phase II assessment by a qualified engineer to determine whether environmental contaminants are actually present.

The Executive Committee is authorized to require any donor to pay all, or any portion of the costs incurred in transfer of the property. In no event should the Foundation pay for an appraisal.

In making its recommendation to the Board, the Executive Committee should determine and consider:

(a) Encumbrances and Liabilities

Whether the property is free from any liens, loans or other special considerations that would place the Foundation in a position to incur significant potential additional expense, risk or liability, or which would restrict the Foundation's ability to use the property in any manner that the Foundation determines best for furthering the purposes of the Foundation, or which would place undue burdens on the Foundation in maintaining the gift prior to sale.

(b) Benefits to the Foundation

Whether the gift is of sufficient value that the Foundation will realize a benefit after covering all costs associated with the gift. This includes but is not limited to legal, administrative, holding, maintenance and sale costs.

(c) Limited Liability Company

Whether to recommend that the Foundation form a single-member limited liability company ("LLC") to accept the gift, or to require that the donor form an LLC to hold the real estate and transfer 100% of the LLC membership interests to the Foundation.

Except in the cases of gifts subject to a retained life estate, gifts of real estate will be sold as soon as practicable, provided, however, there will be no: (i) commitment for repurchase or sale of such real estate in a transaction with the donor or any other party prior to the completion of the gift, or (ii) representations made with respect to whether the Temple would consider such a transaction after the completion of the gift.

8. Tangible Personal Property

Tangible personal property is an asset that can be touched, handled, or moved by an individual (as opposed to intangible assets such as ownership in a company or intellectual property such as a copyright). The most common tangible personal property assets include art, coin and stamp collections, jewelry, furniture, or any similarly unique or collectible property owned by a donor. Such gifts made to the Foundation should be accepted only when accompanied by proof of ownership, a written gift proposal including a description of the gift, the donor's cost basis, date of acquisition, and an independent appraisal or other reliable evidence of value. The Foundation may seek input from subject matter expert as to appropriate means of valuing any such proposed gift.

Gifts of tangible personal property may be accepted only after approval:

- (i) by the Temple's Senior Rabbi and the Temple's Advancement Director or the person primarily responsible for philanthropy, if the value of such tangible personal property is not more than \$10,000;
- (ii) by the Temple's Senior Rabbi, the Temple's Chief Operating Officer or the staff person primarily responsible for administration, and the

- Temple's Advancement Director or the staff person primarily responsible for philanthropy, if the value of such tangible personal property is more than \$10,000 but not more than \$50,000,
- (iii) by the Executive Committee if the value of such tangible personal property is more than \$50,000 but not more than \$100,000, or
 - (iv) by the Board if the value of such tangible personal property exceeds \$100,000.

Prior to submission of a proposed gift of tangible personal property for approval, the Executive Committee should consult with the Board Treasurer, the Temple's Advancement Director or the staff person primarily responsible for philanthropy, and the Temple's Chief Operating Officer or the staff person primarily responsible for administration, along with such outside experts as they may deem advisable, and shall provide a recommendation as to the course of action to be taken by the Board.

The Foundation should not accept any gifts of automobiles, boats, airplanes and motorcycles unless the Foundation will retain such items for use.

In determining whether a gift of tangible personal property should be accepted, the following issues and concerns should be considered, in consultation with such experts as deemed necessary and appropriate under the circumstances:

- (a) The type of gift the donor intends to fund with the property. Most personal property is not appropriate for funding gift annuities, pooled income funds, charitable remainder trusts or charitable lead trusts.
- (b) Whether the property is readily marketable, free and clear of encumbrances and what additional costs may be involved with the sale of the property.
- (c) Whether the donor has requested any restrictions on the use, display or sale of the property.
- (d) Whether the donor is willing and able to finance the packing, shipping and in-transit security, insurance and other associated costs in transferring the gift to the Foundation.
- (e) Whether the gift is of sufficient value that the Foundation will realize a benefit after covering all costs associated with the gift. This includes but is not limited to legal, administrative, holding, maintenance and sale costs.
- (f) For property that the Foundation intends to retain: (i) whether the property furthers the mission or enhances the history of the Temple; (ii) whether the donor understands the gift may not be used or displayed at all times, and that the gift could be sold or given away at some point in the future, even if there is no intent to do so at the time the gift is donated and accepted, and (iii) whether the donor is willing and able to finance site preparation, installation, maintenance, repairs, upkeep, storage, and other related costs associated with the gift.

Unless the Foundation determines at the time of the gift that it will retain such tangible personal property for use by the Temple, all gifts of tangible personal property will be sold as soon as practicable, provided, however, there will be no: (i) commitment for repurchase or sale of such tangible personal property in a transaction with the donor or any other party prior to the completion of the gift, or (ii) representations made with respect to whether the Foundation would consider such a transaction after the completion of the gift.

Donors of tangible personal property may have adverse tax consequences regarding the amount of their permitted charitable contribution deduction if the Foundation sells or otherwise disposes of the donated property within three years of the gift. Donors of such property should be advised to seek tax or legal counsel on this issue.

9. Other Non-Traditional Asset Gifts

Gifts of assets not specifically addressed by this Policy should be accepted only upon approval by the Executive Committee before any gift is accepted and, if the value of such gift exceeds \$50,000, then only upon the approval of the Board. Such gifts (e.g., intellectual property) have unique complexities and can cause additional risks and costs to both the donor and the Foundation. This Policy is meant to ensure that the Foundation makes prudent decisions regarding the acceptance of these types of gifts and that the maximum benefit to the Foundation is achieved. Such gifts must further the mission of the Foundation, whether directly or through the use of proceeds from the sale of such gifts, and be of sufficient value that the Foundation will realize a benefit after covering all costs (including but not limited to legal, administrative, holding, maintenance and sale costs) associated with the gift.

VII Deferred and Split Interest Gifts

The Foundation may accept deferred and split interest gifts. The Temple asks donors to make deferred and split-interest gifts to the Foundation to support the mission of the Temple.

A. Deferred Gifts

Deferred gifts, also called “Planned Gifts,” are gifts that are made during the lifetime of a donor, but do not become effective until the death of the donor.

Deferred gifts include bequests under a will or a revocable trust, and designations as a beneficiary of life insurance policies and retirement plans. Donors are advised to consult with the Temple’s Advancement Director or the staff member primarily responsible for philanthropy, regarding how to properly designate the gift and to discuss any trust or bequest restrictions that are being considered.

Any deferred gift agreement that requires execution by the Foundation may be accepted only after approval by the Board. Proposed gifts will be reviewed first by the Executive Committee, which will assign one of its members to work with staff, in consultation with the Foundation’s outside experts, to assess the gift and present their findings and recommendation to the Board.

1. Bequests

A bequest to the Foundation is a gift made in the donor’s will. Gifts made in a donor’s revocable trust that are effective at the donor’s death are treated the same as bequests. The donor can designate a specific amount, a percentage, or the remainder of an estate to the Foundation.

Bequests should be accepted by the Foundation if the underlying assets are in conformity with the guidelines set forth in the applicable section of this Policy entitled “Outright Gifts.” The Foundation reserves the right not to accept gifts from the estates or trusts of deceased donors that are not in conformity with the terms of this Policy.

2. Life Insurance Policies

The Foundation accepts gifts of life insurance policies. The Temple asks donors to make life insurance policy gifts to the Foundation in support of the mission of the Temple.

A life insurance policy can become a gift of much greater value than the actual money expended when the policy is given to a charity, which is named as the beneficiary. The donor either can pay up the entire policy or make annual contributions to the charity for the cost of the premiums.

The Foundation may accept the ownership of a life insurance policy without minimum, but reserves the right to decline the pursuit of proceeds offered under such contract if it proves administratively burdensome. Such gifts should be approved by the Executive Committee.

The Foundation may accept ownership of life insurance policies that meet the following criteria:

- (i) if the policy to be gifted is fully paid-up as of the date of the gift, the Foundation may: (a) retain the policy, or (b) liquidate the policy for cash value net of any policy loans or other charges;
- (ii) if the policy to be gifted is not fully paid-up as of the date of the gift, the Foundation may: (a) require that the donor execute a binding pledge to make additional contributions to the Foundation in amounts equal to the cost of corresponding periodic premium payments, (b) require that the donor execute a binding pledge to pay future owed premiums directly to the insurance company for the benefit of the Foundation until policy is fully paid-up, or (c) liquidate the policy for cash value net of any policy loans or other charges.

Donors may also designate the Foundation as the primary or contingent beneficiary of one or more life insurance policies.

3. Deferred Annuity Contracts

Temple Israel asks donors to designate the Foundation as a beneficiary or contingent beneficiary of deferred annuity contracts, individual retirement accounts, defined benefit plans, defined contribution plans (including 401(k) plans), 403(b) plans and other qualified plans.

If a designation imposes restrictions or a trust arrangement that directly impacts the Temple, prior review and approval by the Temple’s Advancement Committee is required.

B. Split Interest Gifts

The Temple asks donors to designate the Foundation in split interest charitable gifts.

A split interest gift allows a donor to make a gift today, while retaining an interest in the property, allowing the donor to potentially receive both immediate and longer-term tax benefits. With a split interest charitable gift, the asset is split into two parts: a stream of income produced by the asset (income interest) and the principal remaining after the income interest

is paid (remainder interest). A split interest charitable gift may provide significant tax advantages to the Donor.

Split interest charitable gifts which impose any specific duties or obligations on the Foundation may be accepted only after approval by the Board, upon the recommendation of the Executive Committee. Proposed gifts will be reviewed first by the Executive Committee, which will assign one of its members to work with staff, in consultation with the Foundation's outside experts, to assess the gift and present their findings and recommendation to the Board.

1. Real Property with Retained Life Estates

A gift of real property with a retained life estate involves the transfer of the title for a personal residence or farm to the Foundation whereby the donor or another person retains use of the property for a term of years or the life/lives of the donor and/or another person.

In making its recommendation to the Board, the Executive Committee should determine and consider: (i) whether the gift meets both the general conditions and the specific guidelines for acceptance of outright gifts of real estate as set forth in this Policy, (ii) whether the agreement creating the life interest provides that the donor and/or life tenant shall remain responsible for the payment of: (A) mortgages, (B) taxes, (C) insurance (property insurance with the Foundation as loss payee; general liability insurance with the Foundation as an additional insured; and other appropriate insurance as determined by Foundation), (D) utilities, (E) maintenance/repairs, (F) all other costs associated with the property, unless other specific provisions are made for the payment of these expenses, and (G) proof of payment for applicable items and certificates of insurance may be required by the Foundation as appropriate.

2. Charitable Remainder Trusts

A charitable remainder trust is an irrevocable trust that provides for a specified distribution to the donor or other individuals named by the donor for a term of years or lives. Upon termination, all remaining trust assets pass to one or more qualified charities.

(a) Charitable Remainder Annuity Trust

Pays a fixed amount, not less often than annually, to the income beneficiary(ies) (at least five percent, but not more than 50% of the value of the initial contribution to the trust). No additional gifts may be made to the annuity trust after its creation.

(b) Charitable Remainder Unitrust

Pays the income beneficiary(ies) a fixed percentage (at least five percent but not more than 50%) of the fair market value of trust assets, as valued annually. Because the value of assets will change from year to year, the unitrust payment will vary in amount each year. Additional cash contributions may be made to the trust after it is established if the trust agreement so provides. Several variations of the unitrust exist, providing a great deal of flexibility to donors (e.g., a flip unitrust, which is generally used for charitable remainder trusts funded with real estate).

The Foundation may accept designation as the remainder beneficiary, whether in whole or in part, of charitable remainder trusts. The donor is responsible for the costs related to the establishment and the maintenance of any charitable remainder trust.

When a donor desires to establish a charitable remainder trust in which the Foundation will be designated as the irrevocable remainder beneficiary, the Foundation would like to encourage

its donors to designate the Foundation or a qualified corporate trustee to serve as trustee of such trusts where the amount funding the trust is \$100,000 or more. In determining whether to accept the appointment as trustee of a charitable remainder trust, the Task Force should also consider whether the Foundation is the sole beneficiary and whether any party has the right to change the remainder beneficiary of the trust.

3. Charitable Lead Trusts

The Foundation will accept cash gifts in the form of distributions from charitable lead trusts in which the Foundation holds an income interest. Distributions of other property from a charitable lead trust shall be subject to the same limitations set forth in these policies as if such property were contributed to the Foundation, directly, by an individual.

The donor of such a gift is responsible for the establishment and maintenance costs of the trust.

When a donor desires to establish a charitable lead trust in which the Foundation will be irrevocably designated as income beneficiary, the Foundation would like to encourage its donors to designate the Foundation or a qualified corporate trustee to serve as trustee of such trusts. In determining whether to accept the appointment as trustee of a charitable lead trust, the Task Force should also consider whether the Foundation is the sole income beneficiary and whether any party has the right to change the income beneficiary of the trust.

VIII Gift Acknowledgments and Credit

A. Acknowledgements

The Foundation will acknowledge the receipt of all gifts in a manner that satisfies the substantiation requirements required Code and the Treasury Regulations promulgated thereunder, to enable the donor to claim a deduction for a charitable gift, including but not limited to delivering to the donor a written acknowledgement of receipt of the property that shall satisfy the requirements of Section 170(f)(8) of the Code, and executing an IRS Form 8283, if applicable, upon the request of the donor.

If the Foundation sells a gift of property contributed within three years of receipt, if required, the sale will be reported to the Internal Revenue Service by the submission of Form 8282, a copy of which will be provided to the donor.

B. Donor Recognition by the Temple

The Temple will provide donors with recognition for gifts made to the Foundation in accordance with the Temple Israel Gift Acceptance Policy and Guidelines.

IX Use of Legal Counsel

Use of legal counsel by both the donor and the Foundation is advantageous to all parties. The Foundation cannot serve as both the donor's advisor and the beneficiary of the donor's gifts.

A. Donor's Use of Legal Counsel

The Foundation's representatives (staff and volunteers) should take reasonable steps to: (1) encourage Donors to consult independent tax and/or legal counsel prior to making a contribution to the Foundation, and (2) advise donors that they are not providing the donor with tax or other legal advice. It is the donor's responsibility to retain appropriate independent

tax and legal counsel in these transactions. Before the donor is asked to sign any gift agreement, including but not limited to agreements concerning partial interests, charitable gift annuities, charitable remainder trusts and charitable lead trusts, counsel for the donor should be given the opportunity to review and approve the documents.

B. Foundation's Use of Legal Counsel

Under certain circumstances, the Foundation may find it necessary to retain outside legal counsel to assist with the evaluation of potential gifts. Such decision shall be made by the Executive Committee in its discretion.

X Fees and Expenses

A. Finder's Fees or Commissions

No finder's fee or commission of any type will be paid by the Foundation to any party in connection with the completion of a gift to the Foundation.

B. Professional Fees

Reasonable costs incurred in connection with the completion of a gift to the Foundation, such as transaction costs and professional fees, will normally be borne by the donor. However, there may be occasions when a prospective donor requests that the Foundation pay such costs. Unless specifically approved by the Board, the Foundation will not pay such costs.

XI Policy Amendment and Review

The Board shall have sole authority to amend and repeal this Policy. The Foundation's Executive Committee shall have primary responsibility for recommending amendments to the Board and shall undertake periodic reviews of this Policy from time to time. All proposed amendments to this Policy shall be submitted, in writing, to the Board for review and approval.

XII Policy Effective Date

This Policy was adopted _____, and became effective on that date. All gifts shall be governed by this Policy.