



THE COLUMBUS FOUNDATION

GIFT ACCEPTANCE POLICY AND GUIDELINES

(Approved August 26, 2005; Amended December 8, 2011)

GIFT ACCEPTANCE POLICY AND GUIDELINES

TABLE OF CONTENTS

Mission of The Columbus Foundation	4
Purpose of Policy and Guidelines	4
Application	4
Authorization to Negotiate	4
Gift Acceptance Committee	4
Donor Rights and Responsibilities	5
Legal Counsel	5
Serving as Trustee or Fiduciary	5
Gift Acknowledgement	5
Purpose of the Gift	6
Material Restrictions	6
Investment of Gifts	6
Costs of Accepting and Administering Gifts	6
Confidentiality	7
Authority to Amend	7
Types of Funds	7
Unrestricted Fund	7
Field of Interest Fund	7
Designated Fund.....	7
Scholarship Fund	7
Donor Advised Fund	8
Administrative Fund	11
Organization Endowment Fund	11
Supporting Organization	11
New Fund Establishment	11
Grantmaking	12
Fundraising	12
Types of Gifts.....	12
Policies and Guidelines for Acceptance of Types of Gifts	12
Current Gifts.....	12
Cash and Checks.....	12
Tangible Personal Property	13
Intangible Personal Property.....	14
Publicly Traded Securities	14
Mutual Funds	15

Closely-Held Stock, Limited Partnership and Limited Liability Company Interests	16
Real Estate	17
Bargain Sale	18
Miscellaneous Gifts of Property	18
Transferring Assets of a Private Foundation.....	19
Planned Gifts	19
Bequests	20
Retirement Plan Beneficiary Designations.....	20
Charitable Gift Annuity	21
Charitable Remainder Trusts	23
Charitable Lead Trust	25
Life Insurance Policies and Proceeds	26
 Appendix A – Donor Bill of Rights	 28
Appendix B – Policies Regarding Donor Initiated Fundraising for Component Funds	29
Appendix C – Procedures for Awarding Scholarship Grants	33

THE COLUMBUS FOUNDATION

GIFT ACCEPTANCE POLICY AND GUIDELINES

(Amended and for approval by the Governing Committee on December 8, 2011)

MISSION OF THE COLUMBUS FOUNDATION

The mission of The Columbus Foundation (“Foundation”) is to assist donors and others in strengthening and improving our community for the benefit of all of its citizens.

PURPOSE OF POLICY AND GUIDELINES

The Governing Committee of the Foundation, with an understanding of its mission and responsibilities, has established and approved this Gift Acceptance Policy (“Policy”) and Guidelines (“Guidelines”). The Policy and Guidelines govern the acceptance of gifts by the Foundation and provide guidance to current and prospective donors and their advisors when gifting to the Foundation.

APPLICATION

This Policy and Guidelines also shall apply to Community Foundations, Inc. The board of directors of each supporting organization shall act to accept gifts to their respective supporting organization. The Governing Committee of the Foundation reserves the right to review unique gifts or high-risk investments. All gifts of real estate will be subject to the Policy and Guidelines for real estate of the Foundation.

AUTHORIZATION TO NEGOTIATE

Pursuant to this Policy and Guidelines, the President, Vice President for Finance, Vice President for Donor Services and Development, and designated staff of Donor Services and Development are authorized to negotiate current and planned gifts to the Foundation. The Governing Committee of the Foundation retains oversight of all programs, asset development plans, and activities related to these activities. All agreements relating to current or planned gifts and requiring execution by the Foundation shall first be reviewed and approved as to form by the Foundation’s legal counsel. However, each agreement need not be reviewed provided it is based on a prototype agreement that has been reviewed and approved previously.

GIFT ACCEPTANCE COMMITTEE

The Foundation shall utilize the Policy and Guidelines to assess and accept gifts. The Policy and Guidelines are intended to serve as a guide and to allow for flexibility on a case-by-case basis to accommodate a proposed gift or a circumstance that is unique. In such a circumstance, the Gift Acceptance Committee (“Committee”) may convene to review and evaluate the proposed gift and make a recommendation. The Committee shall consist of the President, Vice President for Donor Services and Development, Vice President for Finance, General Counsel, a member of the Governing Committee, and Foundation staff and such other persons with professional expertise appointed by the President on an ad hoc basis.

The Foundation reserves the right to exempt gifts from full Committee review if, in the judgment of the President and in consultation with designated members of the Committee, the decision to accept the gift warrants immediate action and the full Committee can not be convened (such as year-end gifts). The President and available members of the Committee first must determine that the gift may be accepted without significant reservations and the gift does not in any way jeopardize the tax-exempt status of the Foundation.

There may be extraordinary circumstances, type of assets or conditions related to formal acceptance of charitable gifts as determined by the President and officers of the Foundation. In such cases, these matters shall be referred to legal counsel and the Governing Committee of the Foundation for consideration and formal acceptance thereof or denial.

DONOR RIGHTS AND RESPONSIBILITIES

The Foundation endorses and subscribes to a Donor Bill of Rights, set forth in Appendix A.

LEGAL COUNSEL

The Foundation shall encourage all donors to consult independent financial, legal and/or tax counsel in matters relating to their gifts and any resulting tax and estate planning consequences. It is the donors' responsibility to directly employ and compensate independent financial, legal and/or tax counsel in these transactions.

SERVING AS TRUSTEE OR FIDUCIARY

The Foundation does not serve or act as trustee for any charitable remainder trust, charitable lead trust, revocable or irrevocable trust, or as co-trustee with an individual or trust institution. The Governing Committee and the staff of the Foundation shall avoid any personal conflict of interests with respect to any gift to the Foundation. The staff of the Foundation should not knowingly serve as a trustee, conservator, guardian, executor, or personal representative for a donor of the Foundation, except with the express approval of the President of the Foundation. In the instance that staff of the Foundation is appointed or requested to serve for a family member that is also a donor, the staff member shall disclose this to the President of the Foundation and seek waiver by all interested parties of any potential conflict of interest. The Governing Committee or Gift Acceptance Committee should be made aware of any such relationships.

GIFT ACKNOWLEDGEMENT

The Foundation will acknowledge, in writing, the receipt of all gifts in a manner that satisfies the substantiation requirements of the Internal Revenue Code ("IRC") section 170. The donor shall provide a current mailing address for such purpose.

PURPOSE OF THE GIFT

The Foundation will accept gifts restricted to an existing component fund or to establish a component fund for a fund type administered by the Foundation. Such fund type may include, but is not limited to, unrestricted, field of interest, organization endowment, designated, scholarship, administrative, donor advised, and supporting organizations.

All gifts must be for a charitable purpose. All gifts must be consistent with the stated mission, purposes and priorities of the Foundation. All gifts shall be in compliance with the Internal Revenue Code and any other applicable federal or state statutes, regulations, rulings and court decisions and compatible with the tax-exempt status of the Foundation. The Foundation will seek to administer the gift according to the intent of the donor, provided such intent does not violate the terms of the Articles of Incorporation or Declaration of Trust of the Foundation, as the case may be, place other assets of the Foundation at risk, contain any unreasonable condition or restriction, or violate any federal, state or local laws.

MATERIAL RESTRICTIONS

In conformance with Treasury Regulations governing community foundations, gifts to the Foundation may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the Foundation from freely and effectively employing the transferred assets or the income derived therefrom, in furtherance of its tax-exempt charitable purpose.

INVESTMENT OF GIFTS

All gifts to the Foundation are irrevocable. The donor relinquishes all right, title, and interest to the contributed assets. In particular, the donor relinquishes the right to choose asset allocation, investments, bank, investment agent, broker, or to veto investment choices for any gifts. The Foundation reserves the right to make any and all investment decisions regarding gifts in accordance with its Investment Policy. However, the Foundation will consider suggestions of the donor for use of a particular bank, investment agent, or broker in accordance with the Foundation's Investment Policy and the Foundation may consult the donor on the investment options for the assets of a fund. The Foundation's Finance Committee shall review and recommend to the Governing Committee for approval use of any investment agent not currently on the approved list of the Foundation.

COSTS OF ACCEPTING AND ADMINISTERING GIFTS

Except as the Committee may approve in unusual circumstances, the costs associated with the transfer of a gift by the donor, such as attorney fees, accounting fees, and other professional fees as well as other costs including, but not limited to, appraisal, escrow, evaluation, title insurance, and environmental assessment fees are the responsibility of the donor.

Custodial, investment, and administrative fees shall be assessed and paid from the respective funds in accordance with the Foundation's guidelines and fee schedules as approved by the Governing Committee from time to time.

CONFIDENTIALITY

The Foundation shall maintain control over files and information received from or about the donors or prospective donors in order to maintain confidentiality. The Foundation shall not expose the donor or information regarding the donor's gift to the public or media without the consent of the donor.

AUTHORITY TO AMEND

The Foundation reserves the right to amend the Policy and Guidelines.

TYPES OF FUNDS

The Foundation provides various types of funds to achieve the intent of the donor.

Greatest Needs (formerly Unrestricted) Fund:

This type of fund meets changing community needs, supports the creation of innovative responses to community problems, and enhances the quality of community life. The Governing Committee, in conjunction with recommendations and reports of the Community Research and Grants Management Department of the Foundation, approves the distribution of assets from these funds.

Field of Interest Fund:

This type of fund allows the donor to support particular areas of concern that are meaningful to the donor. The broad areas include social services, health, education, conservation, urban affairs, arts and humanities, and a geographic area. The donor may define further the types of programs under these areas. Local nonprofit organizations may apply for a grant under a field through the Foundation's competitive grantmaking program. After review and assessment of proposals, the Community Research and Grants Management Department recommends grants to the Governing Committee for approval.

Designated Fund:

This type of fund allows the donor to support, in perpetuity, charitable organizations that the donor designates. The Foundation distributes income, semi-annually, to the designated organizations. If a donor designates more than one organization, the donor may specify percentages of income for each organization. If an organization ceases to exist or changes its purpose, the Foundation will exercise its variance power to support an organization with similar interests or purpose to achieve the intent of the donor. The Governing Committee approves distribution of income from the designated funds.

Scholarship Fund:

This type of fund supports educational grants to individuals based upon eligibility and selection criteria recommended by the donor. The Governing Committee approves distribution of the grant to the educational institution for the benefit of the scholarship recipient.

As indicated below in the section on Donor Advised Funds, the Pension Protection Act of 2006 provided that donor advised funds, as defined in Internal Revenue Code Section 4966 are prohibited from making grants to individuals. Certain scholarship funds that could otherwise fall within the definition of a donor advised fund are excepted from that definition provided that grants are made in accordance with certain protocols. Appendix C contains procedures for the Foundation's administration of scholarship funds, including the protocols required by the Pension Protection Act.

Donor Advised Fund:

This type of fund allows the donor to make suggestions about amount of distributions of income and/or principal to suggested tax-exempt public charities. The Governing Committee approves or ratifies all grant suggestions from donor advised funds. In the event that assets remain in the fund at the time of death of the donor or last to die of co-advisors or if a donor no longer wishes to serve in an advisory role to the fund, then that advised fund will be converted to an unrestricted fund in the donor's name. The donor may specify an alternative type of fund in a written request to the Foundation. The donor may name a successor advisor(s), including but not limited to, a child or other family member or designee. This successor provision shall extend for one generation or level only, unless a successor advisor recapitalizes the fund.

In accordance with the Pension Protection Act of 2006, the following prohibitions apply to donor advised funds:

1. Donors, advisors and related parties (as defined for this purpose and below in Internal Revenue Code Section 4958(f)(7)) are prohibited from using a donor advised fund to fulfill legally binding personal pledges.
2. Donors, advisors, and related parties are prohibited from using advised funds to secure from any grantee charitable organizations any "more than incidental benefit" as defined in Internal Revenue Code Section 4967(a)(1).
3. Donor advised funds are prohibited from making grants to individuals.
4. Donors, advisors and related parties are prohibited from receiving grants, loans, compensation or similar payments from donor advised funds.

Also in accordance with the Pension Protection Act of 2006, the Foundation will exercise "expenditure responsibility" (defined below) with respect to a grant from a donor advised fund when required by law or policy. Grants to organizations not described in Internal Revenue Code Section 170(b)(1)(A) such as non-charities, private non-operating foundations, or certain supporting organizations require expenditure responsibility. It is the Foundation's policy generally not to make grants to organizations whose status would require that expenditure responsibility be exercised, and any exception to this policy will require approval by the Governing Committee.

Should the Foundation determine that expenditure responsibility is required with respect to a grant, the Foundation will perform the following steps:

1. The Foundation will conduct a pre-grant inquiry to determine whether the proposed grantee is reasonably likely to use the grant for the specified purposes.
2. The Foundation and the grantee will sign a written grant agreement with specific terms required by law.
3. The grantee will be required to maintain the grant funds in a separate account on the grantee's books.
4. The grantee will be required to report to the grantor, in writing, not less than every six months during the term of the grant, explaining how it used the grant and describing its compliance with the grant terms and its progress toward the grant purposes.

Supporting organizations receive public charity status from the IRS due to their particular relationship with another publicly supported charity or government unit. Based on that relationship, a supporting organization is defined as Type I, Type II, or Type III. Type III supporting organizations are further defined as functionally or non-functionally integrated. Any type of supporting organization that supports a public charity which is controlled directly or indirectly by the donor, donor advisor, or related party requires expenditure responsibility by the Foundation. Any non-functionally integrated Type III supporting organization also requires expenditure responsibility.

In connection with the determination of whether the Foundation must exercise expenditure responsibility, and therefore the determination of whether an organization is a public charity, and if a supporting organization, what type of supporting organization it is, the Foundation will follow the guidance and process detailed in Internal Revenue Service Notice 2006-109 or any superseding guidance from the Internal Revenue Service.

Currently, the guidance from the Internal Revenue Service sets forth the following steps to be followed to determine whether a grant recommendation from a donor advised fund requires expenditure responsibility:

1. Verify that the organization is a public charity by checking its status in IRS Publication 78, the organization's IRS determination letter, or IRS Business Master File.
2. Determine if the public charity is a supporting organization from one of the following sources:
 - a. The IRS Business Master File (BMF) and the potential grantee's IRS determination letter, or
 - b. A report from a third party that includes the grantee's name, EIN, and public charity classification under Internal Revenue Code Section 509(a)(1), (2), or (3); a statement that the information is from the most currently available IRS monthly update to the BMF, along with the IRS BMF revision date; and the date and time of the grantmaker's search. The grantmaker must retain this report in electronic or hard-copy form.

3. Determine the type of supporting organization from one of the following sources:
 - a. For Type I or Type II supporting organizations a written representation signed by an officer, director, or trustee of the grantee if both of the following are true:
 - i. The representation describes the process used for selecting the grantee's officers, directors, or trustees and references the pertinent provisions of the grantee's organizing documents that establish the grantee's relationship to its supported organization.
 - ii. The Foundation collects and reviews copies of the grantee's governing documents. If the grantee's governing documents are not sufficient to establish the relationship, the Foundation must also collect organizing documents from the supported organization.
 - b. For determining that a Type III supporting organization is functionally integrated, the Foundation must do the following:
 - i. Obtain the grantee's written representation identifying the organization it supports.
 - ii. Collect and review the grantee's organizing documents (and those of the supported organization if necessary).
 - iii. Collect a written representation signed by an officer, director, or trustee of each supported organization stating that the supporting organization is functionally integrated and that but for the involvement of the supporting organization, the supported organization normally would engage in those activities itself.
 - c. Alternatively, the Foundation may rely on a reasoned written opinion of counsel of either the grantee or the Foundation in making the determination that a supporting organization is a Type I, Type II, or functionally integrated Type III supporting organization.
4. Once the Foundation has determined that a potential grantee is a supporting organization and is not a Type III non-functionally integrated supporting organization (where expenditure responsibility is automatically required), the Foundation will determine whether the donor, donor advisor, or related parties control the supported organization. Control can be determined in one of the following ways:

- a. If any donor, donor advisor, or related parties may, by aggregating their votes or positions of authority, require a supported organization to make expenditure, or prevent a supported organization from making expenditure.
- b. Working from a collected list of organizations that the potential grantee supports, the Foundation will work with the donor(s) and advisors to determine whether any of those supported organizations are controlled by the donor, advisor, or related party. Certification from either the donor or advisor or directly from the supported organization indicating that the donor, advisor, or related parties do not control the supported organization must be obtained.

Administrative Fund:

This type of fund provides financial support for the operations and programs of the Foundation. These funds allow the Foundation to maintain lower fees and costs and are an investment in promoting community philanthropy.

Organization Endowment Fund:

This type of fund holds assets for a charitable organization and may reinvest income or distribute income to the organization on a semi-annual basis. Endowment funds are established as quasi-endowment funds to allow the board of the organization to access income and principal upon written request and approval of majority of the board. If required by the establishing document or donor gifting the principal, an endowment may be established as a permanent endowment that prohibits distributions from the original principal. The Governing Committee approves distributions of both income and principal.

SUPPORTING ORGANIZATION:

This is a separate entity that is incorporated under state law and is a tax-exempt public charity pursuant to a letter of determination by the IRS. A supporting organization is a grantmaking entity that avoids private foundation status by being operated, supervised, and controlled by the Foundation. The Foundation only operates and supervises Type I supporting organizations. The Governing Committee of the Foundation appoints a majority of the separate board of directors of the supporting organization.

NEW FUND ESTABLISHMENT

The current minimum gift to establish a new component fund is \$10,000. This minimum applies to all fund types, except supporting organizations.

The Foundation uses a letter of transmittal as the gift agreement document to establish a new fund. A letter of transmittal evidences transfer of property, description of such property, name and type of fund, acknowledgement of receipt of property, and terms of administration for charitable purposes. The donor(s) and the President and CEO of the Foundation execute two originals of the letter of transmittal. Each party to the letter

agreement shall retain an original. No grants may be made from a new fund until the letter of transmittal has been executed as described above.

The Foundation may permit gifts to a holding account for gifts of less than \$10,000, subject to the approval of the Vice President of Donor Services and Development. The Foundation will hold the gifts under a single name in a non-interest bearing account until the account reaches the minimum amount to establish a new component fund. The founding donor must execute a letter of intention that provides that the funds in the holding account will be gifted for a charitable purpose if the minimum new fund amount is not reached within one (1) year from the date of the letter of intention.

GRANTMAKING

The Foundation will distribute grants to any public charity located in the United States. The Foundation cannot distribute grants to foreign charitable organizations. The Foundation can make grants to U.S. public charities that fund and support foreign charitable organizations. The Foundation will assist the donor in evaluating other organizations for this process, including advising the donor of any additional administrative fees assessed by another organization.

FUNDRAISING

The Foundation's policy regarding fundraising activities by component funds is attached as Appendix B.

TYPES OF GIFTS

The Foundation may accept either outright current gifts or deferred gifts, also called planned gifts. Outright gifts may include cash, tangible personal property, intangible property, publicly-traded securities, mutual funds, closely-held stock, real estate, remainder interests in property, limited partnership interests, and limited liability company interests. Deferred gifts may include charitable gift annuities, charitable remainder trusts, charitable lead trusts, retirement plan beneficiary designations, bequests, and life insurance.

POLICIES AND GUIDELINES FOR ACCEPTANCE OF TYPES OF GIFTS

CURRENT GIFTS

CASH AND CHECKS

Policy: The Foundation may accept gifts of cash and checks.

Guidelines for Administration:

1. The donor shall attach to gifts of cash or checks identification or notation of the specific fund, restricted purpose of the gift, or if the gift is a memorial or honorarium to a named person or event.

2. Checks should be made payable to “The Columbus Foundation”, or the specific affiliate. The memo section on the check should identify the specific fund, restricted purpose, or if gift is a memorial or honorarium to a named person or event.
3. The Foundation records face value of cash as a gift on the date of delivery to the Foundation or receipt by authorized staff of the Foundation.
4. The donor may wire a gift to the Foundation’s account by contacting staff for necessary account processing information.
5. The Foundation records face value of checks as a gift on the date of delivery to the Foundation. IRS rules provide that the unconditional delivery of a check which clears in due course is deemed to be given on date of delivery.
6. IRS rules provide that if a check is dated at the end of the year, the delivery envelope must show a postmark no later than December 31st for recording as a gift in the current year.
7. The Foundation has internal management systems for receipt and recording of gifts of cash and checks.
8. The Foundation records credit card contributions charged on the donor’s bank credit card as of the date of the charge.

TANGIBLE PERSONAL PROPERTY

Policy: The Foundation may accept gifts of tangible personal property, including but not limited to, artwork, collectibles, antiques, jewelry, books, livestock, timber, crops, automobiles, and boats, only after a review and approval by the Committee. The proposed gift must be readily marketable, free and clear of encumbrances, or related to the tax-exempt charitable purpose of the Foundation. The Foundation will inform the donor of how the Foundation expects to use the property. The donor should consult with the donor’s professional advisors to determine whether this anticipated use is related or unrelated to the Foundation’s tax-exempt purpose. In the case of a charitable gift of tangible personal property, this determination can affect whether the donor is eligible for a charitable income tax deduction for the fair market value (applicable in the case of related use) or for the donor’s cost basis in the property (applicable in the case of unrelated use).

Guidelines for Administration:

1. The donor is responsible for obtaining a qualified appraisal of the value of the tangible personal property if it exceeds \$5,000.
2. The donor is responsible for filing IRS Form 8283 and must provide a completed copy. The Foundation is required to file IRS form 8282 if the property is sold within two (2) years of the gift.
3. The delivery of tangible personal property generally requires an actual transfer of possession to effect a completed gift for tax purposes.
4. Noncash gifts with a fair market value of less than \$5,000 may be reported at the value declared by the donor. The Foundation will acknowledge the gift by description and name of donor, but will not assign a value for tax purposes.

INTANGIBLE PERSONAL PROPERTY

Policy: The Foundation may accept gifts of intangible personal property, including but not limited to, copyrights, patents, and royalties. (Gifts of life insurance and securities are addressed separately).

Guidelines for Administration:

1. The donor is responsible for obtaining a qualified appraisal of the value of the property if it exceeds \$5,000.
2. The donor is responsible for filing IRS Form 8283 and must provide a completed copy. The Foundation will file IRS Form 8282 if the property is sold within two (2) years.
3. The Foundation will acknowledge the gift by the description and name of the donor and the applicable IRS rule regarding valuation since the rules vary depending upon the type of intellectual property.
4. Generally the donor may be eligible for a charitable income tax deduction for contributions of patents and other intellectual property, other than certain copyrights or inventory, which is the lesser of the donor's adjusted cost basis and fair market value. At the time of the contribution, the donor must notify the Foundation if the donor intends to claim additional deductions for qualified donee income.

PUBLICLY TRADED SECURITIES

Policy: The Foundation may accept gifts of securities that are readily marketable or traded on a recognized market.

Guidelines for Administration:

1. Prior to the transfer, the Foundation requests that the donor notify Foundation staff of the securities being gifted, the number of shares, the intended transfer date, the fund or purpose of the gift, and the name and phone number of the financial advisor, bank or brokerage firm, if applicable. This information enables the Foundation to properly track the gift and to credit it to the correct donor and fund.
2. In accordance with tax and other law, the Foundation has the right to make all decisions regarding the immediate sale of the gifted securities or to retain as an asset of the fund. The Foundation's standing policy is to sell the securities upon receipt.
3. If gift by wire transfer, the donor should notify the Foundation by person, phone, email, or US Mail of the proposed gift. The donor must separately provide sufficient written instructions of transfer to the donor's bank or broker. Once confirmed, the donor should provide information as set forth in Item 1 above. The Foundation staff will provide the appropriate account number and DTC wire number of the Foundation's account as well as other relevant information. The date of the gift is the date the securities are transferred to the Foundation's account or when the transfer is made on the books of the brokerage firm.

4. If gift of certificate(s) and by mail, the donor should send the unendorsed stock certificate(s) by registered mail to the Foundation at our business address. In a separate envelope, by regular mail, the donor should send to the Foundation at our business address a signed stock power (one power for each certificate with signature block only completed) and a written statement identifying the donor, address, phone number and email and the number of shares, the name of the stock, and the purpose or fund for which the donor is contributing the securities. The donor should mail both envelopes on the same day. The date of gift is determined by the later postmark.
5. If gift of certificate(s) by hand delivery, the donor should bring the unendorsed stock certificate(s) to the Foundation. The donor should sign a stock power (one power for each certificate with the signature block only completed). The donor should sign a letter indicating that the donor is gifting the shares to the Foundation, in addition to the signed stock power. The Foundation can provide the donor a receipt acknowledging the delivery and purpose of the delivery. The date of the gift is the date the donor delivers the securities to the Foundation or authorized staff of the Foundation.
6. If the donor delivers the certificate(s) to the issuing corporation or a broker for transfer to the name of the Foundation, the gift is complete when the stock is transferred on the corporation's books.
7. If gift of certificate(s) held in the name of an organization or corporation, the donor organization or corporation should provide a corporate resolution indicating that the individual executing the stock power is authorized to do so.
8. In accordance with tax and other law, the Foundation acknowledges the gift of securities and values it at the mean between the highest and lowest quoted selling prices on the valuation date multiplied by the number of shares.
9. The Foundation reserves the right to review and evaluate proposed gifts of securities that may be subject to sale restrictions, right of first refusal, real estate investment trust, debt instruments, or options on a case-by-case basis.
10. The provisions below under "Closely Held Stock, Limited Partnership and Limited Liability Company Interests" relating to the tax on "excess business holdings" are also applicable to gifts of publicly traded securities to donor advised funds.

MUTUAL FUNDS

Policy: The Foundation may accept gifts of mutual funds.

Guidelines for Administration:

1. The Foundation acknowledges the gift of mutual funds and values it at the public redemption price multiplied by number of shares on the effective date of the transfer.
2. The process for transfer of mutual funds is specific to the fund company, bank or brokerage firm. Therefore, prior to transfer, the donor and the Foundation staff should conduct independent efforts to verify the documentation and forms required to effect the transfer.

3. The donor should provide the Foundation a copy of the most recent mutual fund statement.
4. As appropriate, the Foundation may instruct and assist the donor in the process. Due to confidentiality laws and standards, the Foundation is unable to obtain account- specific information directly from the fund company.
5. The Foundation recommends that the donor monitor the process closely because it generally may take two (2) – six (6) weeks.
6. In accordance with tax and other law, the Foundation has the right to make all decisions regarding the immediate sale of the gifted mutual funds or to retain as an asset of the fund. The Foundation's standing policy is to sell the mutual funds upon receipt.

CLOSELY-HELD STOCK, LIMITED PARTNERSHIP AND LIMITED LIABILITY COMPANY INTERESTS

Policy: The Foundation may accept gifts of closely-held stock, limited partnership or limited liability company interests.

Guidelines for Administration:

1. The Foundation reserves the right to review and evaluate such proposed gifts on a case-by-case basis. The donor should provide relevant documentation and information to facilitate an assessment of the business activities, underlying assets and liabilities, nature of the interest proposed to be gifted, and potential liabilities associated with the Foundation holding such interests.
2. Because the Foundation is subject to Unrelated Business Income Tax ("UBIT") on its share of income attributable to an S corporation and income attributable to partnership's or LLC's unrelated business, the Foundation requires that distributions be sufficient to pay quarterly estimated UBIT taxes and any other related costs, or that the donor contributes other assets sufficient to allow the Foundation to make such payments.
3. Because the donor's tax basis will affect the taxable gain of the Foundation upon the sale of the S corporation stock, the Foundation requires relevant documentation to determine its possible tax consequences.
4. The donor must obtain a qualified appraisal if the value of the gift exceeds \$10,000.
5. The donor is responsible for filing IRS Form 8283 and must provide a completed copy. The Foundation will file Form 8282 if the property is sold within two (2) years.
6. The Foundation will not participate in a pre-arranged sale by the donor or any agreement that would impose a material restriction on the proposed gift.
7. The Foundation will retain the securities that are not readily marketable in safekeeping until they can be redeemed.
8. The Foundation may require an indemnification agreement from the donor.
9. Notwithstanding any other provision hereof, the Foundation shall not accept any gift of a business interest in a business enterprise for a donor advised fund that the Foundation determines would likely subject the Foundation to tax under

Section 4943 of the Internal Revenue Code regarding “excess business holdings.” Any potential gift that would result in a donor advised fund holding:

- Twenty percent or greater interest in a business or in an entity (or thirty-five percent if it can be shown that persons who are not disqualified persons have effective control of the business) or.
- Any interest (other than a 2% or lesser interest in both (x) the value of all outstanding interests and (y) voting stock, capital interest, or beneficial interest) in an entity in which any interest is owned by a donor or advisor to the donor advised fund, by a family member of any such person, or by an entity in which any of the foregoing persons has an interest,

shall be referred to the Foundation’s legal counsel for a determination on the potential application of Code Section 4943. To the extent that such assets would constitute or become excess business holdings and they are accepted in a donor advised fund, the Foundation will establish procedures to ensure disposal of the assets within the time periods prescribed by the tax law. The Foundation will notify potential donors of such requirements prior to the acceptance of such interest.

REAL ESTATE

Policy: The Foundation may accept gifts of real estate including, but not limited to, residential, commercial, developed, and undeveloped.

A. Outright Gift of Real Estate: Generally, the donor irrevocably and outright transfers all of the donor’s right, title and interest in the real estate.

B. Remainder Interest in a Personal Residence or Farm: The donor outright gifts his or her remainder interest, but retains the right to live in or use the residence or farm for the remainder of the donor’s lifetime. The personal residence need not be the donor’s principal residence. A residence includes the land, house and fixtures, but does not include household furnishings. A farm is land used for raising livestock, poultry or crops and includes the farmhouse as well as barns and other improvements. The remainder interest must be in the residence or farm itself, and not the proceeds from the sale.

Guidelines for Administration:

1. The Foundation reserves the right to review and evaluate gifts of real estate on a case-by-case basis. The donor should provide relevant documentation and information to facilitate an assessment.
2. The Foundation generally intends to sell the contributed real estate for its full fair market value as soon as possible. The Foundation reserves the right to make all decisions regarding sale or retention of contributed real estate.

3. The Foundation requires that any proposed gift of real estate involve \$100,000 or more of equity.
4. The Foundation will consider encumbered real estate only if the property can be sold at a price that substantially exceeds the aggregate amount of the encumbrances and any costs associated with satisfying them.
5. If the real estate is subject to recapture of accelerated depreciation deductions or short-term capital gains, the donor will be responsible for determining the effect on the donor's deduction.
6. The donor should provide the location or plot map of the property and arrange access to permit a visual inspection.
7. The donor should provide copies of all leases, mortgages and any other contracts affecting the property.
8. The donor should contract and pay for a Phase I Environmental Assessment of the property. If the Phase I indicates environmental problems exist, the donor must contract and pay for an additional assessment or remediation.
9. The donor should obtain a qualified appraisal of the property and provide a copy to the Foundation.
10. The donor should provide evidence of clear title to the property through title insurance.
11. The donor should sign an indemnification agreement as to expenses that may require a cash outlay on the part of the Foundation between the time the property is contributed and eventually sold. These expenses include, but are not limited to, taxes, insurance, maintenance, condominium charges and fees.
12. The donor should sign a recordable general warranty deed conveying the property to the Foundation. The donor should provide an Exemption from Real Property Conveyance Fee Form for filing of the deed with the Auditor's Office and the Recorder's Office of the county or state in which the property is located.
13. The Foundation will consider any proposed gift of a partial-interest in real estate, such as a gift of an undivided interest or for qualified conservation purposes, on a case-by-case basis.

BARGAIN SALE

Policy: The Foundation may consider a gift resulting from a bargain sale transaction.

Guidelines for Administration:

1. The Foundation will apply this Policy and Guidelines to review and evaluate any proposed gift of property that results from a bargain sale transaction. Although real estate is generally the most common property involved in a bargain sale, other types of property may be proposed by the donor.

MISCELLANEOUS GIFTS OF PROPERTY

The Foundation acknowledges that many forms of property exist that may not be specifically described in the Policy and Guidelines. The Foundation reserves the right to consider and evaluate acceptance of other forms of gifts on a case-by-case basis.

TRANSFERRING ASSETS OF A PRIVATE FOUNDATION

Policy: The Foundation may accept the transfer of assets of a private foundation.

Guidelines for Administration:

1. The trustees of the private foundation shall provide the Foundation with a list of assets of the private foundation, particularly if the assets include property other than cash or publicly traded securities.
2. The Foundation staff shall review the list of assets pursuant to the Policy and Guidelines.
3. The Foundation will advise the trustees of the private foundation of the fund types or supporting organizations administered by the Foundation to enable the trustees to select the type that best achieves their objectives.
4. The Foundation qualifies as an organization into which a private foundation may terminate pursuant to IRC section 507(b)(1)A). Specifically, the Foundation is an organization described in IRC section 170(b)(1)(A) that has been in existence for a continuous period of at least 60 calendar months immediately preceding a distribution from the terminating private foundation.
5. The Foundation may file the final Form 990-PF of the terminating private foundation, provided the Foundation and the trustees have agreed and the trustees have disclosed, produced and turned over all necessary financial records and prior tax returns to the Foundation.
6. The Foundation may charge a reasonable fee to the private foundation for preparation and filing of the final Form 990-PF. The Foundation and the trustees of the private foundation shall agree to these terms prior to performance of the service.
7. The trustees of the private foundation, in trust or corporate form, shall be responsible for any termination and liquidation requirements under applicable state law.

PLANNED GIFTS

The Foundation accepts planned and testamentary gifts through our planned giving program. Planned giving includes any form of a gift that the benefit does not accrue to the Foundation until a future time, including but not limited to, the death of the donor or other income beneficiary or the expiration of a predetermined period of time, or the Foundation receives immediate benefits then followed by the interests of noncharitable beneficiaries.

Memorandum of Intent:

This memorandum sets forth the instructions of the donor to the Foundation regarding future administration of the donor's planned gift. The Foundation encourages the donor or his or her advisor to consult with Foundation staff to assist in structuring the future gift to achieve the donor's charitable objectives and intent. The memorandum of intent

should state if the planned gift will establish a new fund or will be added to an existing fund, the fund type, the name of the fund, any restrictions on the use of the assets of the fund, and may state an alternative use of the planned gift if the original purpose cannot be fulfilled. The memorandum of intent should be signed by the donor and retained by the donor and in the donor's file at the Foundation. The memorandum of intent can be modified and revised at any time at the request and instructions of the donor. Upon receipt of the proceeds of the planned gift, the Foundation will exercise due diligence to carry out the instructions and intent of the donor. In the event that this is not feasible or practical and an alternative purpose is not set forth in the memorandum of intent, the Foundation will exercise its variance power and seek to administer the gift in a manner similar to the donor's instructions.

BEQUESTS

Policy: The Foundation may accept gifts through a will or other bequest vehicle.

Guidelines for Administration:

1. Bequests from a will, trust or other documents may be specific, contingent or of the residue of the estate.
2. Upon notification of a planned gift, the Foundation requests that the donor or his or her advisor provide a copy of the applicable bequest provision in the will, trust or other document.
3. The Foundation recommends that a general bequest provision state the beneficiary as "...to The Columbus Foundation, to be administered in accordance with the provisions of the Amended Articles of Incorporation of the Columbus Foundation, of Columbus, Ohio, and any amendments or additions thereto at anytime made." The Foundation staff can provide more specific language as necessary.
4. The Foundation recommends that the donor set forth his or her instructions in a memorandum of intent, prepared after consultation with Foundation staff.
5. The donor may instruct the Foundation to use the proceeds of the planned gift to establish a new fund or to add to an existing fund.
6. In the event that the proceeds of the planned gift do not meet the minimum fund amount to establish a new fund, the proceeds will be deposited in memory of the donor to the general unrestricted fund of the Foundation or to a component fund designated by the donor.

RETIREMENT PLAN BENEFICIARY DESIGNATIONS

Policy: The Foundation may accept gifts from retirement plans which includes, but is not limited to, Individual Retirement Accounts (IRAs), 401(k) and 403(b) plans, or other qualified or nonqualified plans.

Guidelines for Administration:

1. The donor should designate the Foundation as the primary, successor or contingent beneficiary for all or a percentage of the assets upon the death of the donor as owner or upon death of the owner's spouse, if applicable.
2. Such beneficiary designation must be on the form prescribed by the trustee or administrator of the retirement account and properly filed with the same.
3. Upon notification of the beneficiary designation, the Foundation requests that the donor provide a copy of the form.
4. The Foundation recommends that the donor set forth his or her instructions in a memorandum of intent, prepared after consultation with Foundation staff.
5. The donor may instruct the Foundation to use the proceeds of a retirement plan to establish a new fund or to add to an existing fund.
6. In the event that the proceeds of the retirement plan do not meet the minimum fund amount to establish a new fund, the proceeds will be deposited in memory of the donor to the general unrestricted fund of the Foundation or to a component fund designated by the donor.

CHARITABLE GIFT ANNUITY

Policy: The Foundation administers a charitable gift annuity program and may accept contributions to establish a gift annuity.

A. Charitable Gift Annuity: A charitable gift annuity is a contract between the Foundation and the donor. Under this contract arrangement, the donor irrevocably transfers assets, cash or securities, to the Foundation. In exchange, the Foundation agrees to pay a fixed, guaranteed sum of money for a period measured by one or two lives. The person who contributes an asset for the annuity is referred to as the donor, while the person who receives payments for life is referred to as the annuitant. Factors affecting the amount of the payout include the age and number of annuitants, the gift annuity rate, and the type of and value of the property transferred. The charitable gift annuity has components of both a charitable gift and a financial investment. Therefore, the donor is eligible for a charitable income tax deduction for the actuarially determined value of the gift amount of the contract. A portion of each annuity payment is generally tax-free return of principal for the life expectancy of the annuitant. If appreciated assets are contributed, then a portion is generally treated as a capital gain and is spread over the term of the contract. The balance is taxed as ordinary income.

B. Immediate Payment Gift Annuity: Under this arrangement, the annuitant begins receiving payments at the beginning of the payment period immediately following the contribution. The first payment is customarily prorated from the date of the contribution to the end of the first period and is rolled into the following payment period. Payments can be made monthly, quarterly, semi-annually or annually.

C. Deferred Payment Gift Annuity: Under this arrangement, the annuitant begins receiving payments on a future date, usually based on the age of the annuitant. The first payment will be for the full amount due for that payment period. Payments can be

made monthly, quarterly, semi-annually or annually. An additional factor affecting the amount of the payout is the length of the period between the date of the contribution and the annuity starting date since the amount contributed grows at a guaranteed rate during the deferral period.

D. Guidelines for Administration:

1. The minimum gift for funding is \$10,000.
2. The minimum age for an annuitant is 60.
3. In the case of a deferred gift annuity, the minimum age is 50 for the prospective annuitant as of the date of the contribution.
4. In the case of two successive life annuitants, the minimum age for the younger of the two is 60.
5. A maximum of two persons may be annuitants under one contract.
6. The gift annuity is effective on the date the donor irrevocably transfers assets to the Foundation.
7. The gift annuity program of the Foundation will be administered to conform to applicable state and federal tax laws and regulations.
8. The Foundation has adopted rates established by the American Council on Gift Annuities ("ACGA"). These rates are available for publication to prospective donors and advisors. The Foundation reserves the right to change rates and to apply such change prospectively.
9. The Foundation must be the sole charitable beneficiary and the annuity remainder must benefit an existing fund or establish a new fund at the Foundation.
10. The donor, the President of the Foundation and the chair of the Governing Committee shall execute an agreement (two originals) that sets forth the names of annuitants, addresses, annual payment, start date, terms of contract, and effective date.
11. Nonprofit organizations with an endowment fund that is a component fund of the Foundation may refer donors to the charitable gift annuity program provided the annuity remainder benefits their endowment fund held at the Foundation. In the event that an organization endowment fund no longer exists at the Foundation, the Governing Committee shall determine the appropriate use of the annuity remainder, unless otherwise specified by the donor in a memorandum of intent.
12. In the event the annuity remainder does not meet the minimum fund amount to establish a new fund, it will be deposited in memory of the donor to the general unrestricted fund of the Foundation or to a component fund of the Foundation designated by the donor.
13. The donor may set forth instructions outlining the donor's intent for administration of the annuity remainder in a memorandum of intent, prepared after consultation with Foundation staff.
14. The Foundation shall assess a reasonable annual administrative fee on each annuity contract. The Foundation shall disclose this fee to a prospective donor and his or her advisor.
15. Each annuity shall bear a proportional share of investment costs.

16. The Foundation will not accept real estate, tangible personal property or other illiquid assets in exchange for a charitable gift annuity, except upon review and approval of the Committee.
17. The general assets of the Foundation secure payments under an annuity contract.
18. The Foundation shall review annually the investment performance and total return of the annuity payment reserve fund.

CHARITABLE REMAINDER TRUSTS

Policy: The Foundation may be named as the charitable remainder beneficiary of a charitable remainder trust.

A. Charitable Remainder Trust (“CRT”):

This is a split interest trust in which the interests are split between an income non-charitable beneficiary and a charitable remainder beneficiary. The donor irrevocably transfers assets to a separately administered trust. The donor names one or more income beneficiary(ies) to receive income for life or a term of years, not to exceed twenty (20) years. The income beneficiary will receive an annual payout of trust assets. The payout may be distributed to the income beneficiary(ies) either concurrently or successively. The payout must be made at least annually, or may be made quarterly or semi-annually. The donor names the charitable beneficiary to receive the remainder interest after the expiration of trust period. Each CRT must have a trustee, either corporate or individual fiduciary, to perform duties including, but not limited to, managing assets, selling and reinvesting assets, determining and distributing annual payout and remainder interest, and filing annual tax returns.

The donor is eligible for a charitable income tax deduction (with a five (5) year carryover) in the year the CRT is created. The deduction is for the value of the charitable remainder interest as determined by Treasury tables. Factors affecting the charitable deduction include the age or ages of the income beneficiary(ies) or the term of the trust, the percentage to be paid to the beneficiary(ies), the Applicable Federal Rate and the amount of cash or fair market value of appreciated property contributed to the trust.

B. Charitable Remainder Annuity Trust (“CRAT”):

An annuity trust pays a fixed dollar amount annually to the income beneficiary. The payout amount is specified in the trust document as a specific amount or a percentage of the initial fair market value of the assets contributed to the trust. This payout amount must be a minimum of five percent (5%) and no more than fifty percent (50%) of the initial fair market value of assets as of the date of contribution. The payout amount can not vary over the term or life of the trust. If the income exceeds the payout, the excess is added to the principal. If the income is less, the difference is derived from realized capital gain or principal. The present value of the charitable remainder must be at least

ten percent (10%) of the original contribution to the trust. Additional contributions can not be made to an annuity trust.

C. Charitable Remainder Unitrust:

There are the following variations of the unitrust.

1. Straight Unitrust (“CRUT”):

A straight unitrust pays a fixed percentage of the net fair market value of its assets, valued annually, to the income beneficiary(ies). The straight unitrust may invade principal to pay the fixed percentage if the annual income or realized gains do not equal the specified fixed percentage. The payout amount is specified in the trust document and must equal no less than five percent (5%) and no more than fifty percent (50%) of the fair market value of the assets, valued annually. The present value of the charitable remainder must be at least ten percent (10%) of the initial and any subsequent contributions to the trust. Additional contributions may be made to a unitrust.

2. Net Income with Make-up Unitrust (“NIMCRUT”):

This unitrust provides that the trust’s payments are to be the lesser of the specified fixed percentage payout or the actual annual income generated from the investments of the trust assets. In subsequent years, any income generated from the trust in excess of the specified fixed percentage payout is used to make-up any deficit from previous years and is paid to the income beneficiary(ies) prior to being added to the trust principal.

3. Net Income Only:

This unitrust provides that the payout is made from income only and principal is not invaded for payout.

4. Flip Unitrust (“FLIP”):

This unitrust begins as a net income only or a net income with make-up unitrust. Upon the occurrence of a specified event, such as a specific date or the sale of real estate, a flip unitrust “flips” to a straight unitrust.

D. Guidelines for Administration:

1. The Foundation does not serve as trustee of a CRT. The Foundation staff may review draft trust documents, provide specimen trust documents, or calculations of proposed benefits upon request of the donor or his or her advisor. Such review or comments by the staff of the Foundation does not constitute legal or tax advice and the donor should retain independent legal and tax counsel.
2. The Foundation encourages the donor to provide a copy of the trust document for our record of the donor’s planned gift.
3. In the event the Foundation does not have prior knowledge that the Foundation is the charitable remainder beneficiary of an intervivos trust or a testamentary trust, the Foundation reserves the right to disclaim any interest that would be a violation of the Policy and Guidelines.
4. Upon receipt of the remainder interest, the Foundation may use the distribution to establish a new fund, provided there is a minimum of \$10,000 or the applicable

minimum amount required to establish a fund as of that date, or add to an existing fund in the donor's name.

5. The Foundation encourages the donor and his or her advisors to consult with Foundation staff to assist in structuring the future gift to achieve the donor's charitable objectives. The donor may set forth instructions outlining the donor's intent for administration of the future gift in a memorandum of intent, prepared after consultation with Foundation staff.
6. Upon receipt of the remainder interest, the Foundation will consult any memorandum of intent signed by the donor.

CHARITABLE LEAD TRUST

Policy: The Foundation may be named as a charitable beneficiary under a charitable lead trust ("CLT").

A CLT is a split interest trust with both charitable and noncharitable beneficiaries. The donor makes a gift to a trust that directs a specific payout to one or more charitable beneficiaries for a term of years or for the life or lives of a named individual or individuals. At the expiration of this measuring period, all the remainder interest passes to or is held in trust for the benefit of one or more noncharitable beneficiaries. A CLT may provide for a guaranteed annuity interest which is a fixed percentage of the initial value of the trust principal. The charity will receive a fixed dollar amount each year regardless of trust performance. Alternatively, a CLT may provide for a unitrust interest which is a fixed percentage of the annually revalued trust principal. The charity will receive a payout that fluctuates in dollar amount with trust performance. A CLT must distribute annual payouts.

B. Guidelines for Administration:

1. The Foundation does not serve as trustee of a CLT.
2. The Foundation staff may review draft trust documents, provide specimen trust documents or calculations of proposed benefits upon the request of the donor or his or her advisor. Such review or comments by the staff of the Foundation does not constitute legal or tax advice and the donor should retain independent legal and tax counsel.
3. The donor or his or her advisor should provide a copy of the executed trust document.
4. Upon receipt of the distribution from the CLT, the Foundation may use the gift to establish a new fund, provided there is a minimum payment of \$10,000, or add to an existing fund in the donor's name.
5. The Foundation encourages the donor to consult with us to assist in structuring the gift to achieve the donor's objectives.

LIFE INSURANCE POLICIES AND PROCEEDS

Policy: The Foundation may accept gifts of life insurance policies and proceeds. The Foundation may accept a life insurance policy as a gift to an existing fund or as gift to establish a new fund.

- A. Beneficiary Designation: The donor may name The Columbus Foundation as the primary or contingent beneficiary of a life insurance policy and the donor retains ownership of the policy. The donor is not eligible for a charitable income tax deduction for such designation. The Foundation shall not record such designation as a gift until receipt of the proceeds.
- B. Gift of Fully Paid-Up Policy: The donor may irrevocably transfer ownership of the policy to the Foundation. As owner, the Foundation will name itself the primary beneficiary. The donor is eligible for a charitable income tax deduction generally equal to the policy's replacement value or the donor's basis, if the replacement value exceeds the basis.

If the donor has an existing fund or intends to gift the policy to an existing fund, the Foundation will record the cash surrender value as of the date of receipt as a gift. This value will become the permanent book value of this gift. Each year the market value of this asset will be adjusted to reflect the increase in the cash surrender value of the policy. When the policy matures (at the death of the donor or insured), the difference between the face value (death benefit) of the policy and the Foundation's book value will be recorded as a realized gain, not as an additional gift. If the donor does not gift the policy to an existing fund, the Foundation will establish a new fund to record the gift. As a result, if the policy is the only asset of the fund, it is subject to the fee exception policy of the Foundation.

- C. Gift of Premium-Due Policy: The donor may irrevocably transfer ownership of the policy to the Foundation. As owner, the Foundation will name itself the primary beneficiary. The donor is eligible for a charitable income tax deduction based on the policy's interpolated terminal reserve value, and the proportionate part of the premium last paid before the date of the gift which covers the period extending beyond the gift date. Upon receipt of the premium-due notices from the insurance company, the Foundation will notify the donor of the amount and due date of the premium and request direct payment to the Foundation. The Foundation will record the donor's contribution as a gift and utilize it to cover the cost of ongoing premium payments. The donor is eligible for a charitable income tax deduction for such gifts. In the event that the donor does not elect to continue to gift the premium amount, the Foundation may surrender the policy for its cash surrender value or convert the policy to paid up insurance.

If the donor has an existing fund or intends to gift the policy to an existing fund, the Foundation will record the gift at the greater of the current cash surrender

value of the policy or one dollar. This value will become the permanent book value of this gift. Periodic premium payments on the policy will be recorded on the fund journal as an adjustment not a grant. Each year the market value of this asset will be adjusted to reflect any increase in the cash surrender value of the policy and treated as an unrealized gain. The minimum market value is one dollar. When the policy matures (at the death of the donor or insured), the difference between the face value (death benefit) of the policy and the Foundation's periodically adjusted market value will be recorded as a realized gain, not as a gift. If the donor does not gift the policy to an existing fund, the Foundation will establish a new fund to record the gift. As a result, if the policy is the only asset of the fund, it is subject to the fee exception policy of the Foundation.

D. Guidelines Applicable to Ownership of Policy:

1. The Foundation will perform an initial review of the policy illustrations for each proposed gift of life insurance. The Foundation, in its discretion, may seek further review by a knowledgeable and disinterested third party.
2. The Foundation reserves the right to decline consideration and acceptance of any proposed gift of life insurance.
3. The donor, through the donor's agent or advisor, shall provide an original of the policy and all pages of the financial illustration that clearly states the cash surrender value and death benefits.
4. Each year, the Foundation should receive an annual policy statement showing actual policy performance to date, an in-force illustration of performance record and future estimate, and if the payment pattern changes, then a revised in-force projection reflective of those changes.
5. The Foundation discourages gifts of policies subject to loans or other assignments and may decline consideration.
6. The Foundation will not enter into any split dollar arrangements.
7. The Foundation will not assume delinquent premium payments.
8. The original policy should be locked in the Foundation's safe deposit box or sent to the trustee bank that manages the assets of the fund, if applicable.
9. A gift of a policy written for a year-end tax purpose must have a certified date from the insurance company to be a qualified donation for that tax year.
10. The Foundation encourages the donor to consult with Foundation staff to assist in structuring the future gift to achieve the donor's charitable objectives. The donor may set forth instructions outlining the donor's intent for administration of the future gift in a memorandum of intent, after consultation with Foundation staff.

APPENDIX A

A DONOR BILL OF RIGHTS

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in The Columbus Foundation and its affiliates, we declare that all donors have these rights.

<p>I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.</p>	<p>VI. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.</p>
<p>II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.</p>	<p>VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.</p>
<p>III. To have access to the organization's most recent financial statements.</p>	<p>VIII. To be provided with disclosure of all significant parties involved with The Columbus Foundation and its affiliates.</p>
<p>IV. To be assured their gifts will be used for the purposes for which they were given.</p>	<p>IX. To be assured that The Columbus Foundation and its affiliates will not share mailing lists with any other entity.</p>
<p>V. To receive prompt acknowledgment and appropriate recognition for all gifts.</p>	<p>X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.</p>

APPENDIX B

Policies Regarding Donor Initiated Fundraising for Component Funds (other than Organization Endowment Funds) of The Columbus Foundation

(Approved April 21, 2005; Amended December 8, 2011)

Thank you for establishing a fund with The Columbus Foundation. We value your confidence and partnership and look forward to working with you and providing you with the very best possible service. The Columbus Foundation staff is pleased to provide services to donors that may result in acquisition of major and planned gifts. Some individual donors or volunteer groups may wish to organize fundraising events, direct mail campaigns, and/ or other types of solicitations to raise money for their particular fund. Because The Columbus Foundation could be held accountable for donor initiated fundraising, the following guidelines have been established. These guidelines will lend guidance and expertise while protecting contributors, donors and The Columbus Foundation from any legal implications of fundraising for a component fund.

FUNDRAISING GUIDELINES:

1. **DISCUSSION WITH THE COLUMBUS FOUNDATION:** The event organizers need to discuss their plans with a Donor Services and Development Officer of the Foundation at least 30 days prior to undertaking public fundraising event or solicitation for any component fund.
2. **USE OF LOGO AND TAX EXEMPT INFORMATION:** The event organizers may not use The Columbus Foundation's logo or employer identification number in connection with their event.
3. **PAYMENT OF EXPENSES:** The event organizers will be responsible for paying all expenses and then they can send the net proceeds of the fundraiser to The Columbus Foundation for an addition to the fund.
4. **NET PROCEEDS OF FUND RAISER:** Event organizers may state that the net proceeds benefit the component fund at The Columbus Foundation. Upon receipt of the net proceeds at The Columbus Foundation, we will acknowledge the amount to the event organizers or to the individual fund contact. Any published materials related to the fundraising event should have the following wording:

“The net proceeds of this event will be contributed to the *XYZ Scholarship Fund* of The Columbus Foundation and you will not receive a charitable deduction for this donation.”
5. **INSURANCE AND PERMITS:** The event organizers will be responsible for obtaining any necessary insurance, permits, licenses, approvals, etc.
6. **THANKING PARTICIPANTS OR DONORS:** Individual participants in the event (ticket purchasers, sponsors, golf players, etc.) make their payments to the event organizers. The organizers may record the contributors' names and addresses and provide a courtesy acknowledgment. The acknowledgement letter must not include

any language stating that the letter serves as an official receipt for IRS purposes or include any reference to a charitable tax deduction.

7. **GIFTS TO YOUR FUND WITHOUT ANY BENEFITS RECEIVED:** Direct, tax-deductible gifts to the component fund may be made at any time. When a donor wants to make a gift directly to the component fund without participating in the fundraising activity, he/she makes the check payable directly to The Columbus Foundation with the name of the fund on the memo line along with the words "direct contribution/benefits waived," and sends the check to The Columbus Foundation. If the donor indicates that he/she has not received any goods or services (dinner, raffle, tickets, round of golf, etc.) in exchange for the donation, he/she will receive an individual gift acknowledgement letter from The Columbus Foundation that can serve as a receipt for purposes of substantiating his/her tax deduction.
8. **ENDORSEMENT OF FUNDRAISING EVENT:** The Foundation neither endorses the fundraising activity nor is involved in its planning or execution other than as described in this policy.
9. **RESPONSIBILITY:** The Foundation will not be responsible for the actions taken by the event organizers or individual fundraisers of component funds.
10. **ACKNOWLEDGMENT OF GIFTS:** The Foundation will not acknowledge the individual contributors and no one will receive a charitable deduction for participating in the event. (See number 7 above for an exception to this rule.)

SOLICITATION GUIDELINES

1. **DISCUSSION WITH THE COLUMBUS FOUNDATION:** Individuals who solicit funds for a component fund of The Columbus Foundation must discuss their plans with a Donor Services and Development Officer of the Foundation at least 30 days prior to the dissemination of any solicitation materials. (See Attached Exhibit #1)
2. **EXPENSES:** The individuals soliciting shall assume all costs associated with the solicitation.
3. **ACKNOWLEDGMENT OF GIFTS:** The Columbus Foundation will accept and acknowledge the tax-deductible contributions to the Foundation for the benefit of the fund for which such contributors were solicited so long as no benefits are given to the donors.
4. **TRACKING OF DONORS:** The Columbus Foundation will list the names of all donors (except those who request anonymity) in the quarterly fund journal that the fund contact receives.

If you have questions or need additional information, please contact:

The Columbus Foundation, Donor Services and Development Department, 1234 E. Broad St, Columbus, OH 43205, 614/251-4000.

Attachment #1

Application for Soliciting Contributions for a Component Fund (other than an Organization Endowment Fund) of The Columbus Foundation

Please provide the following information if you are planning to solicit contributions for your fund. Please allow up to two weeks for staff review.

Date of submission: _____

Fund at The Columbus Foundation that is to be the beneficiary of the solicitation:

Contact Person

Address

Phone(work)_____ (home)_____ (fax)_____

Email_____

Mailing list, i.e., who will receive this appeal for funds:

How many people will receive this letter? _____

I have read and I understand The Columbus Foundation's Policies Governing Fundraising for Component Funds (other than Organization Endowment Funds) of The Columbus Foundation and agree to comply with the policies if this application is approved.

Name

Signature

Date

Please attach a copy of the letter and any materials that will accompany it and return it to:

The Columbus Foundation
Donor Services and Development Department
1234 E. Broad St
Columbus, OH 43205

APPENDIX C

Procedures for Awarding Scholarships

Introduction: Scope and Intent of Procedures

The Columbus Foundation ("the Foundation") from time to time holds and administers certain funds (the "Funds") that provide scholarship grants for individuals, including high school, college and graduate school students, to enable the recipients to pursue their education. The Foundation also holds and administers certain Funds that make grants to students in primary and secondary school to attend various educational programs and to other individuals for vocational or other training. Grants made from such Funds shall be referred to as "Scholarship Grants".

The Foundation has established the following procedures pursuant to which Scholarship Grants will be awarded from funds where Donor-advisors have any advisory privileges or participation in the selection of grant or award recipients. The following procedures shall be interpreted so as to ensure the Foundation's compliance with all applicable requirements of the Internal Revenue Code (IRC), including IRC Section 4966, accompanying Treasury Regulations and guidance from the Internal Revenue Service, as these procedures may be amended from time to time.

For purposes of these procedures, a Donor-advisor will be defined as an individual or organization, including a corporation, partnership or trust, that makes a contribution to a Fund where such Fund is separately identified by reference to contributions of the Donor-advisor and with respect to which the Donor-advisor (or any person appointed or designated by such Donor-advisor) has, or reasonably expects to have, advisory privileges with respect to the distribution or investment of amounts held in such Fund by reason of the Donor-advisor's status as a donor.

The Foundation values and encourages the interest and involvement of donors to funds established to make Scholarship Grants. Such involvement may include developing criteria for awards, serving on grant selection committees and recommending others for places on selection committees.

I. Selection of Grantees

Grantees are to be selected on an objective and nondiscriminatory basis. The group from which grant recipients are selected must be sufficiently broad so that giving grants to one or more members of the group fulfills a charitable purpose; however, selection from such a group is not necessary if one or more grant recipients are selected on the basis of their exceptional qualifications to carry out the purposes of the grant or it is otherwise evident that the selection is particularly calculated to effectuate the charitable purpose of the grant rather than to benefit particular persons or a particular class of persons.

In connection with Scholarship Grants, Foundation staff and designated members of selection committees established for such awards shall contact high school, college and graduate school administrators as well as managers of other relevant community institutions to advertise the availability of the Foundation's Scholarship Grants and to request that these administrators nominate potential candidates or encourage potential awardees to submit applications for scholarship aid.

II. Criteria for Selection

The criteria to be used in selecting grant recipients from a fund established at the Foundation must be based on criteria that are appropriate to accomplishing the underlying purpose of the grant as described in the agreement creating such Fund. Foundation staff should work with donors to establish Funds that fulfill the donor's charitable goals and feature clear selection criteria.

For Scholarship Grants, such criteria may include, but are not limited to, the following: prior academic performance, performance of each applicant on tests designed to measure ability and aptitude for educational work; recommendations from instructors of such applicant and any others who have knowledge of the applicant's capabilities, additional biographical information regarding an applicant's career, academic and other relevant experiences, financial need and conclusions which the grant selection committee may draw as to the applicant's motivation, character, ability, or potential. Criteria may also include the applicant's place of residence, past or future attendance at a particular school, past or proposed course of study or evidence of his or her artistic, scientific or other special talent. Preference may be given to applicants of a particular sex, race, ethnic background or religion so long as such preference does not violate public policy.

Recipients of Scholarship Grants must be (1) primary or secondary school students; (2) undergraduate or graduate students at a college or university who are pursuing studies or conducting research to meet the requirements for an academic or professional degree; or (3) students – whether full-time or part-time – who receive a scholarship for study at an educational institution that provides an educational program acceptable for full credit toward a bachelor's or higher degree, or offers a training program to prepare students for gainful employment in a recognized occupation and is authorized under federal or state law to provide such a program and is accredited by a national recognized accreditation agency.

The Foundation has the right to impose additional, reasonable restrictions and/or requirements upon the awarding of Scholarship Grants and the administration of such grants. Any substantial or material changes will be made only with approval of the Foundation's Governing Committee.

III. Selection Committees

For any Fund where a Donor-advisor or persons recommended or designated by a Donor-advisor (or persons related to any of these persons) participated on a selection committee, the Foundation's Governing Committee shall approve all members of any selection committee charged with the evaluation of candidates for Scholarship Grants and shall approve the specific procedures for selecting recipients of Scholarship Grants.

No combination of Donor-advisors, persons recommended or designated by Donor-advisors (or persons related to any of these persons) to a Fund that makes Scholarship Grants may, directly or indirectly, control any selection committee established in connection with such Fund. For example, Donor-advisors, persons recommended or designated by Donor-advisors and persons related to any of these persons shall not constitute a majority of any such selection committee (persons may include individuals, partnerships, corporations or trusts). Where a Donor-advisor recommends a person for appointment to a selection committee based on objective criteria related to the expertise of such person, such person will not be deemed to be appointed or designated by the Donor-advisor.

Donor-advisors and related persons may provide advice with respect to the selection of Scholarship Grant recipients solely as members of a selection committee.

Every member of any selection committee charged with the evaluation of candidates for Scholarship Grants shall adhere to the relevant policies of the Foundation as they may be adopted and amended from time to time, including without limitation a conflict of interest and confidentiality policy. Every member of any selection committee charged with the evaluation of candidates for Scholarship Grants shall be obligated to disclose any personal knowledge of and relationship with any potential grantee under consideration and to refrain from participation in the award process in a circumstance where he or she would derive, directly or indirectly, a private benefit if any potential grantee or grantees are selected over others. No grant covered by this policy may be awarded to any member of the Foundation's Governing Committee, any substantial contributor to the Foundation, any employee of the Foundation, or any other disqualified person as defined in IRC § 4946(a) with respect to the Foundation, or, with respect to grants from a particular Fund, any Donor-advisor or substantial contributor to such Fund or any member of a selection committee to such Fund, or for a purpose that is inconsistent with the purposes described in IRC § 170(c)(2)(B).

Each selection committee established under this policy shall forward its recommendations to the Foundation staff in such form and on such schedule as the staff shall establish. The Foundation's Governing Committee shall approve each award made under this policy.

IV. Application and Nomination Process

Applicants for Scholarship Grants shall be required to submit such application forms and supporting materials as the Foundation may deem appropriate on a schedule to be determined by the Foundation.

V. Grant Renewals

Scholarship Grants will ordinarily be awarded for a one-year period, but may be for a shorter or longer period. A Scholarship Grant may be renewable for a period appropriate to the purposes of the Fund under which the award is established. Otherwise, the Foundation may consider renewing a grant on a case-by-case basis according to the status of the grantee's program and the purposes of the grant.

VI. Supervision of Scholarship Grants

Each Scholarship Grant shall be paid by the Foundation directly to the educational institution for the use of the scholarship recipient. Each educational institution must verify in writing that the recipient is enrolled at such educational institution and his or her standing at such educational institution is consistent with the purposes and conditions of the grant.

Unless otherwise provided in the fund agreement establishing a Scholarship Grant, a condition of each Scholarship Grant is that it will be used only for qualified tuition and related expenses within the meaning of IRC § 117(b)(2), and for room and board. Accordingly, a Scholarship Grant can be used only for: (1) tuition and fees required for the enrollment or attendance of the student at a qualifying institution; (2) fees, books, supplies, and equipment required for courses of instruction at such an educational institution; and (3) room and board. An additional condition is that no part of the Scholarship Grant shall be used as payment for teaching, research, or other services by the scholarship recipient required as a condition for receiving the scholarship.

If for any reason, a Scholarship Grant is used for expenses other than qualified tuition and related expenses within the meaning of IRC § 117(b)(2) or for room and board, the Foundation must receive a report on the progress of each recipient of such a Scholarship Grant at least once each year. This report must include a summary of the use of the funds awarded, and the grantee's courses taken (if any) and grades received (if any) in each academic period. This report must be verified by the educational institution. A final report is also required.

Where the reports submitted, or other information (including the failure to submit reports) indicate that all or any part of a Scholarship Grant is not being used in furtherance of the purposes of such grant, the Foundation is under a duty to investigate. While conducting its investigation, the Foundation shall withhold further payments to the extent possible until any delinquent reports required under the foregoing provisions of these procedures have been submitted.

If the Foundation learns that all or any part of a Scholarship Grant is not being used in furtherance of the purposes of the Scholarship Grant, the Foundation shall take all reasonable and appropriate steps to recover the grant funds and/or ensure restoration of the diverted funds to the purposes of the grant. If such a diversion occurs and the grantee has not previously diverted grant funds to any use not in furtherance of the purposes of the Scholarship Grant, the Foundation shall withhold any further payments to the grantee until it has received the grantee's assurance that future diversions shall not occur and shall require the grantee to take extraordinary precautions to prevent future diversions from occurring.

Where a grantee has previously diverted funds received from the Foundation and the Foundation determines that any part of a grant has again been used for improper purposes, the Foundation shall take all reasonable and appropriate steps to recover the grant funds and/or ensure restoration of the diverted funds to the purposes of the grant. In such case, the Foundation shall withhold further payments until: (1) the diverted funds are in fact recovered or restored; (2) the Foundation has received the grantee's assurances that future diversions will not occur; and (3) the Foundation requires the grantee to take extraordinary precautions to prevent future diversions from occurring.

The phrase "all reasonable and appropriate steps," as used above, shall include legal action where appropriate, but need not include legal action if such action would in all probability not result in the satisfaction of execution on a judgment.

VII. Recordkeeping Requirements

The Foundation shall retain the following records in connection with all Scholarship Grants: all information obtained by the Foundation to evaluate the qualifications of potential grantees, the identification of grantees (including any relationship of any grantee to the Foundation or to a director or officer of the Foundation), the purpose and amount of each grant, and any additional information the Foundation obtains in complying with its grants administration procedures. Information pertaining to unsuccessful applicants for awards shall be kept along with information on successful applicants.

Records pertaining to any grant made pursuant to this policy shall be kept for no less than three years after the filing of the Foundation's annual tax return for the period in which the last installment of such grant was paid.