



## **BARNABAS FOUNDATION GIFT ACCEPTANCE POLICY**

*Effective 9/11/2015*

Barnabas Foundation is a distinctly Christian not-for-profit organization. The following guidelines govern acceptance of gifts made to Barnabas Foundation.

### **I. OUR PURPOSE**

The Barnabas Foundation is established to partner with Christian charitable organizations (including churches and para-church entities) to encourage, promote, develop and facilitate planned and complex gifts for the support of the cause of the Kingdom of Jesus Christ. The orientation of the Foundation is generally to that element of Protestantism commonly known as Reformed and which advances the world and life view that is espoused by Reformed Christianity. In carrying out its mission, the Foundation will receive, accumulate, manage, invest, and disburse capital funds entrusted to it with a view to using such funds for the support of the cause of Jesus Christ as this is expressed in those groups, societies, organizations, and institutions which minister in Jesus' name to man's spiritual, physical, emotional, and intellectual capacities. The Foundation shall promote its stewardship programs through cooperation with and assistance to Christian charitable organizations with a view to achieving widespread, responsible, creative, and effective giving, so that maximum benefit will accrue to both donors and donees. All groups, societies, organizations and institutions served by this Foundation shall be publicly supported organizations which are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of the United States and contributions to which are deductible under Section 170 or Section 2055 thereof, other than private foundations as defined therein.

### **II. OUR MISSION**

To encourage God-glorifying stewardship based on biblical principles of material resources, among Christians who actively support Barnabas Foundation members.

### **III. AUTHORIZATION TO NEGOTIATE AND ACCEPT LIFE INCOME AGREEMENTS AND OTHER FORMS OF PLANNED GIFTS INVOLVING BARNABAS FOUNDATION**

A. All communication with prospective donors shall be in accordance with the following policies and limited to the Executive Director of Barnabas Foundation or authorized professional staff.

- B. All planned giving agreements involving cash or readily marketable securities shall be accepted only by the Executive Director or his designees.
- C. All planned giving agreements involving unusual or complicated negotiation or tax consequences must be reviewed by the Executive Director and may be approved by the Foundation's designated Legal Counsel before they are accepted.
- D. No gifts of real or tangible personal property, or non-publicly traded stocks, bonds, or notes received to fund life income agreements may be accepted until approved by Executive Director of Barnabas Foundation.
- E. Officially executed forms for Distribution Request Upon Death for final distribution of assets will be required of all donors when life income agreements or other planned gifts involving Barnabas Foundation are executed.

#### IV. TYPES OF GIFTS

The following gifts generally will be accepted provided that the acceptance of any asset for which there is no established public market will necessitate greater review to ascertain that the cost and/or risks of ownership do not exceed the benefit of holding and eventually marketing the asset:

- A. Cash
- B. Tangible Personal Property
- C. Securities
- D. Real Estate (through John Mark Co. or Marah)
- E. Remainder Interests in Property
- F. Life Insurance
- G. Commodities

#### V. CRITERIA FOR ACCEPTANCE

The following criteria govern the acceptance of each gift form:

- A. Cash. Cash is acceptable in any form provided that foreign currency will be credited to its intended use in US dollars only in the amount of US dollars received upon conversion. Checks or drafts shall be made

payable to Barnabas Foundation and shall be delivered by mail, ACH, Wire, or in person to any office of Barnabas Foundation.

B. Tangible Personal Property. All gifts of tangible personal property shall be reviewed prior to acceptance to determine if:

1. The property is consistent with the mission of Barnabas Foundation;
2. The property is marketable;
3. There any restrictions on the use, display, or sale of the property;
4. There any carrying costs for the property;

C. Securities. Both publicly traded securities and closely held securities may be accepted.

Publicly Traded Securities. Marketable securities may be transferred to an account maintained by Barnabas Foundation at its brokerage firm(s) or delivered physically with the transferor's signature or stock power attached and signature(s) guaranteed. As a general rule, all marketable securities will be sold upon receipt unless otherwise directed by the Executive Director or other authorized employee.

Closely Held Securities. Closely held securities will include only equity positions in non-publicly traded corporations, limited partnerships, limited liability companies or other ownership forms and will be accepted subject to the approval of the Executive Director. All such gifts must be reviewed prior to acceptance to determine if:

1. There are any restrictions on the security that would prevent Barnabas Foundation from ultimately converting those assets to cash;
2. The security is marketable;
3. There are substantial transactional, holding or marketing costs; and
4. There are any governance responsibilities.

D. Real Estate. Barnabas Foundation directs most gifts of real property to John Mark Co., an IRS recognized supporting organization of Barnabas Foundation or other affiliated organizations controlled by it. The gift acceptance policies of John Mark Co. are as follows:

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest, including partial interests. Prior to acceptance of real estate, John Mark Co. generally shall require an initial environmental review of the property to identify any environmental concerns with the property. In the event that the initial review identifies a potential problem, John Mark Co. will require a professional inspection by a qualified inspection firm. The cost of the environmental inspection shall be at the expense of the donor.

All gifts of real property generally shall be conveyed to John Mark Co. by Warranty Deed unless facts and circumstances allow the use of a Quit Claim Deed in which case a title search may be required by John Mark Co. prior to the acceptance of the real property gift. The cost of this title search shall generally be at the expense of the donor.

If the gift is for purposes of funding a Charitable Remainder Trust, then generally the property must be free of any mortgage obligation.

Prior to acceptance of real property, the gift shall be approved by the Executive Director or the Director of Planned Giving Services and by outside legal counsel if such is deemed necessary by the Executive Director. All gifts must be reviewed prior to acceptance to determine if:

1. The property is marketable;
2. There are no unacceptable restrictions, reservations, easements, or other limitations associated with the property;
3. The donor wishes to continue residing on the property or renting the property from John Mark Co.;
4. There are carrying costs, which may include insurance, property taxes, maintenance costs, mortgage payments, etc. associated with the property;
5. If utilized, that the environmental review or audit reflects that the property is free of environmental problems;

- E. Remainder Interests in Property. Barnabas Foundation, through its affiliated organization John Mark Co., will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph D above. The donor(s) may continue to occupy the real property for the duration of the stated life. At the death of the donor(s), John Mark Co. may use the property or convert it to cash. The expenses for maintenance, real estate taxes, insurance and any property indebtedness are to be paid by the donor or their estate.

When the donor desires to remain on the property or enjoy any benefit from it, only a remainder interest in the property will be accepted. All remainder gifts are subject to the donor entering into a life estate agreement.

- F. Life Insurance. Barnabas Foundation must be named as both beneficiary and owner of an insurance policy before a life insurance policy can be recorded as a gift. For purposes of booking the policy, the gift is valued at its cash surrender value upon receipt. If the donor contributes future premium payments, Barnabas Foundation will include the entire amount of the additional premium payment as a gift in the year it is made.
- G. Commodities. This type of gift will require the following:
  - 1. A written assignment from the donor transferring the commodity to Barnabas Foundation using only a Barnabas Foundation form.
  - 2. A letter of Authorization of Sale that Barnabas Foundation will send to facilitate selling the commodity.
- H. Other Types of Gifts. All other types of gifts require the approval of the Executive Director and outside legal counsel, if deemed necessary.

## VI. PLANNED GIFT ARRANGEMENTS

The following Planned Gift Arrangements are acceptable:

- A. Stewards Fund. Minimum gift amount to establish a donor-advised fund is \$10,000. For closely held stock or real property, the minimum shall be \$50,000 unless a lower amount is approved by the Executive Director.
- B. Charitable Gift Annuities. Barnabas Foundation may offer Charitable Gift Annuities. The minimum gift for funding is \$10,000 for a person 65 years or older or a couple of which the younger spouse is 65 years or older. The minimum gift for funding is \$25,000 for a person or a couple under age 65. The minimum amount for a person or couple under age 65 may be lowered to \$10,000 if the annuity payment is deferred to age 65. All gift annuities offered to anyone under age of 60 must be approved by the Executive Director. No more than two life income beneficiaries will be permitted for any gift annuity. Annuity payments may be made on a quarterly, semi-annual, or annual schedule.

For all gift annuities with a face value of \$500,000 or greater, Barnabas staff will obtain reinsurance quotes for part or all of the liability, after issuance of the annuity, and present a recommendation to the Board of Directors as to how much of the liability, if any, should be reinsured.

Real estate, tangible personal property, or any other illiquid asset will not be accepted in exchange for a gift annuity unless approved by the Executive Director. Such illiquid assets, if accepted, will generally fund a deferred gift annuity.

Barnabas will accept a full release of an income interest in a charitable gift annuity of any size and at any time. If the release of an income interest is a partial release, then the amount should be no less than \$10,000.

In the event of an income interest release, the donor may be eligible for an additional charitable deduction. If so, it will be the donor's obligation to pay for an appraisal of their remainder interest by a qualified appraiser to receive the deduction.

- C. Charitable Remainder Trusts. Barnabas Foundation may accept designation as remainder beneficiary of a Charitable Remainder Trust when the desires of the donor for ultimate distribution of the remainder interest do not conflict with the principles and Christian purposes of Barnabas Foundation. Barnabas Foundation will accept appointment as Trustee of a Charitable Remainder Trust when the minimum funding of the trust is \$100,000. If Barnabas Foundation will not be managing investment of the assets in the Barnabas Foundation Common Trust Fund, then the minimum funding amount shall be \$500,000 for Barnabas Foundation to act as Trustee. Barnabas will accept a release of an income interest in a charitable remainder trust for the benefit of a charity in an amount of no less than \$10,000.
- D. Charitable Lead Trusts. Barnabas Foundation may accept designation as income beneficiary of a Charitable Lead Trust when the desires of the donor for distribution of the income interest through the Stewards Fund do not conflict with the principles and Christian purposes of Barnabas Foundation. Barnabas Foundation will accept appointment as Trustee of a Charitable Lead Trust when the minimum funding of the trust is \$100,000. If Barnabas Foundation will not be managing investment of the assets in the Barnabas Foundation Common Trust Fund, then the minimum funding amount shall be \$500,000 for Barnabas Foundation to act as Trustee.
- E. Retirement Plan Beneficiary Designations. Barnabas Foundation may be named as beneficiary of retirement plans. Donors are encouraged to consult with Barnabas Foundation planned giving personnel to ensure that the donor's intent for ultimate distribution of the retirement plan will occur upon donor's death.
- F. Bequests. Barnabas Foundation may be named as recipient of bequests in donor's Wills and Trusts so long as donor's desires for ultimate

distributions do not conflict with the principles and Christian purposes of Barnabas Foundation.

- G. Life Insurance Beneficiary Designations. Barnabas Foundation may be named as beneficiary or contingent beneficiary of life insurance policies so long as donor's desires for ultimate distribution do not conflict with the principles and Christian purposes of Barnabas Foundation.
- H. Bargain Sales. In most cases Barnabas Foundation will assist its member organizations with the gift between a donor and the member organization purchasing the property. In some occasions, John Mark Co. may directly participate in a bargain sale by purchasing property if a member organization or other donor provides money for the sale.

## VII. GIFT ADMINISTRATION

### A. Valuation.

1. Where value is difficult to determine, ordinarily one or more appraisals will be required by Barnabas Foundation, normally at the donor's expense, in order to determine the value of the gift for tax and sale purposes. Such appraisals of fair market value will be on the basis of a cash sale within a reasonable time.
2. In accordance with rules established by the Tax Revision Act of 1984, under no circumstances shall Barnabas Foundation or any of its employees or directors participate in appraising any property donated to the Foundation. As required, Barnabas Foundation shall furnish to every donor for property sold (other than publicly traded stock) a copy of a report filed with the Internal Revenue Service regarding such sale, unless the donor shall have certified in writing to the Foundation that the donor intends to claim as a charitable donation for Federal income tax purposes less than \$5,000 in deductions for the combination of such donations and donations of similar items of property to other charitable donees during the same tax year.

- B. Receipts for Gifts. Promptly after the receipt of gifts to Barnabas Foundation, a receipt letter will be issued to the donor describing the asset and the gift arrangement. All receipts will include the statement that no goods or services were received in exchange for the gift in accordance with IRS regulations. Although it is not required by the IRS, in the case of publicly traded stock, the receipt letter will generally also include the value of the gift on the date received as a service to the donor. In the case of property that requires an appraisal, the calculation for the charitable deduction will be included in the gift letter so long as the appraisal has been provided to Barnabas Foundation. The receipts for Charitable

Remainder Trusts and Charitable Gift Annuities (i.e., Split Interest Gifts) will include the calculation for the deduction and projected payouts to the donor.

- C. Donor Involvement in Investment. Donors to Charitable Remainder Trusts, Charitable Lead Trusts, and Stewards Fund accounts are invited to recommend an investment allocation for assets invested in the Barnabas Foundation Common Trust Fund. Their involvement is not binding on Barnabas Foundation, but is welcomed. Donors who contribute more than \$500,000 to a particular gift instrument may also request that the assets be invested outside the Common Trust Fund with a specific custodian and fund manager. Their involvement is not binding on Barnabas Foundation but is welcomed and will be considered as long as it does not violate the prudent investor standards with which Barnabas Foundation must comply.
- D. IRS Filings. Barnabas Foundation will file form 8282 for all gifts for which the charitable deduction value is over \$5,000 and the asset sold within the time frame specified by the IRS.

For Charitable Remainder Trusts for which Barnabas Foundation acts as Trustee, a tax identification number will be requested and form 5227 and K-1 will be filed on an annual basis. Form 56 will be filed in the first and final year of the Trust.

For Charitable Gift Annuities, form 1099R will be filed for each annuitant disclosing the amount of taxable income and long-term capital gain income, if applicable, that the donor has received.

For Charitable Lead Trusts, for which Barnabas Foundation acts as trustee, a 5227 and K-1 will be filed on an annual basis.

#### VIII. USE OF PROFESSIONAL LEGAL COUNSEL

- A. All prospective donors will be encouraged to consult, employ and pay for their own legal and financial counsel in matters related to charitable life income agreements and other planned gifts and bequests involving Barnabas Foundation, but especially in the following cases:
  - 1. Gifts of closely held stock, whether or not governed by restrictions or buy/sell agreements.
  - 2. Transactions with potential conflict of interests that may not meet tax law and regulation guidelines.
- B. Barnabas Foundation generally also may consult with its outside Legal Counsel, the cost of which generally will be charged to any resulting gift.

- C. All agreements shall, if possible, follow the format of specimen agreements approved by Barnabas Foundation's outside Legal Counsel.
- D. All agreements for which Barnabas Foundation is Trustee and/or charitable remainderman that substantially deviate from approved specimen forms or where unusual facts exist, in the judgment of the Executive Director or Director of Planned Giving Services, shall be approved by Barnabas Foundation's outside Legal Counsel before the agreements are executed.



## Donor Recommendation of Investment Allocation For Charitable Trusts

Thank you for allowing Barnabas Foundation to trustee your Charitable Trust. **Please read the "Disclosure Document on the Barnabas Foundation Common Trust Fund"**. Then check one of the options in the Investment Preference section below. If you prefer to recommend an investment allocation different than one of the five suggested below, enter the desired percentages in the Customized column. Please sign and return the form to us.

**Name of the Charitable Trust** \_\_\_\_\_

### INVESTMENT PREFERENCE

\_\_\_\_ I (We) have read the enclosed disclosure statement, understand the risk of investing and recommend the investment allocation of my (our) Charitable Trust as indicated below.

**Please check one of the following:**

Name of Fund	<input type="checkbox"/> <u>Aggressive Growth</u>	<input type="checkbox"/> <u>Long-term Growth</u>	<input type="checkbox"/> <u>Balanced</u>	<input type="checkbox"/> <u>Conservative</u>	<input type="checkbox"/> <u>Income</u>	<input type="checkbox"/> <u>Customized</u>
US Large Cap Equity	10%	10%	8%	8%	0%	%
US Small Cap Equity	5%	5%	2%	2%	0%	%
International Equity	9%	9%	6%	5%	0%	%
Emerging Int'l Equity	6%	6%	4%	3%	0%	%
Global Equity	35%	15%	15%	6%	10%	%
<b>Total Equity</b>	<b>65%</b>	<b>45%</b>	<b>35%</b>	<b>24%</b>	<b>10%</b>	<b>%</b>
Core Bonds	0%	0%	6%	16%	30%	%
Private Credit	6%	6%	4%	0%	0%	%
TIPS	3%	5%	8%	10%	15%	%
Emerging Market Debt	3%	3%	3%	0%	0%	%
Opportunistic Fixed Income	3%	5%	9%	16%	35%	%
<b>Total Fixed Income</b>	<b>15%</b>	<b>19%</b>	<b>30%</b>	<b>42%</b>	<b>80%</b>	<b>%</b>
Private Equity	10%	10%	5%	0%	0%	%
Diversified Alternatives	10%	16%	15%	14%	0%	%
<b>Total Alternatives</b>	<b>20%</b>	<b>26%</b>	<b>20%</b>	<b>14%</b>	<b>0%</b>	<b>%</b>
Global Asset Allocation	0%	10%	15%	20%	10%	%
<b>Total Other</b>	<b>0%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	<b>10%</b>	<b>%</b>

*Please Note: All investment allocations are reviewed and must be approved by the Barnabas Foundation's Director of Investment Services.*

**By signing below you acknowledge that you have read and understood all the provisions of this form and have received the "Disclosure Document on the Barnabas Foundation Common Trust Fund."**

\_\_\_\_\_  
 Signature of Grantor

\_\_\_\_\_  
 Signature of Grantor

\_\_\_\_\_  
 Name of Grantor

\_\_\_\_\_  
 Name of Grantor

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Date



**Donor Recommendation of Investment Allocation**

*For Stewards Fund and Restricted Fund (Designated Fund) Accounts*

This form enables you to recommend a diversified investment allocation for your Stewards Fund or Restricted Fund account. Please check one of the investment allocations in the Investment Preference section below. If you prefer to recommend an investment allocation different than one of the Barnabas Foundation recommended investment allocations, enter the desired percentages in the Customized column. Please sign and return the form to us.

**Name(s) of account** \_\_\_\_\_ **Account #** \_\_\_\_\_

**AMOUNT TO LEAVE IN THE CASH EQUIVALENTS FUND:** \_\_\_\_\_%

**INVESTMENT PREFERENCE**

\_\_\_\_ I (We) understand the risks of investing and recommend the investment allocation of my (our) account as indicated below.

**Please check one of the following:**

Name of Fund	<input type="checkbox"/> <u>Aggressive Growth</u>	<input type="checkbox"/> <u>Long term Growth</u>	<input type="checkbox"/> <u>Balanced</u>	<input type="checkbox"/> <u>Conservative</u>	<input type="checkbox"/> <u>Income</u>	<input type="checkbox"/> <u>Customized*</u>
US Large Cap Equity	10%	10%	8%	8%	0%	%
US Small Cap Equity	5%	5%	2%	2%	0%	%
International Equity	9%	9%	6%	5%	0%	%
Emerging Int'l Equity	6%	6%	4%	3%	0%	%
Global Equity	35%	15%	15%	6%	10%	%
<b>Total Equity</b>	<b>65%</b>	<b>45%</b>	<b>35%</b>	<b>24%</b>	<b>10%</b>	<b>%</b>
Core Bonds	0%	0%	6%	16%	30%	%
Private Credit	6%	6%	4%	0%	0%	%
TIPS	3%	5%	8%	10%	15%	%
Emerging Market Debt	3%	3%	3%	0%	0%	%
Opportunistic Fixed Income	3%	5%	9%	16%	35%	%
<b>Total Fixed Income</b>	<b>15%</b>	<b>19%</b>	<b>30%</b>	<b>42%</b>	<b>80%</b>	<b>%</b>
Private Equity	10%	10%	5%	0%	0%	%
Diversified Alternatives	10%	16%	15%	14%	0%	%
<b>Total Alternatives</b>	<b>20%</b>	<b>26%</b>	<b>20%</b>	<b>14%</b>	<b>0%</b>	<b>%</b>
Global Asset Allocation	0%	10%	15%	20%	10%	%
<b>Total Other</b>	<b>0%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	<b>10%</b>	<b>%</b>

*\*Please Note: All investment allocations are reviewed and must be approved by the Barnabas Foundation's Director of Investment Services.*

**By signing below you acknowledge that you have read and understood all the provisions of this form.**

\_\_\_\_\_  
Signature Primary Advisor

\_\_\_\_\_  
Signature of Additional Primary Advisor

\_\_\_\_\_  
Name of Primary Advisor

\_\_\_\_\_  
Name of Additional Primary Advisor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date