



Nebraska FFA Foundation Gift Acceptance Policy

I. Purpose

The purpose of the Gift Acceptance Policy of the Nebraska FFA Foundation is to serve as a tool to guide the work of the Nebraska FFA Foundation staff, Board and donors and their professional advisors. This policy will provide awareness that an acknowledgement and review procedure exists whenever the Nebraska FFA Foundation receives contributions. In accepting gifts, the Nebraska FFA Foundation will value and shall protect its integrity and its independence. The Nebraska FFA Foundation seeks to ensure that any assets it accepts do not place other assets of the Nebraska FFA Foundation at risk and that gifted assets can be readily converted into cash.

II. Types of Gifts

Asset Types

The Nebraska FFA Foundation will accept the following forms of gifts, subject to the condition outlined in this policy.

Cash, cash equivalents or checks – Gifts should be paid to Nebraska FFA Foundation

Agricultural commodities – Gifts of agriculture commodities such as grain or livestock will be accepted after notifying Nebraska FFA Foundation in advance. The donor must be willing to transport the agricultural commodities to market without cost to Nebraska FFA Foundation. The agriculture commodities gift must follow procedures set forth by Nebraska FFA Foundation to insure that ownership of the commodities are properly transferred.

Tangible personal property – Gifts of tangible personal property such as boats, airplanes, automobiles, artwork, furniture, equipment, jewelry, gems and metals will be considered on a case by case basis. All gifts with a value in excess of \$5000 must be accompanied by a qualified appraisal paid for by the donor.

Unless the property is used in connection with the Nebraska FFA Foundation's tax-exempt purpose, it will be sold or otherwise disposed of as soon as reasonably possible. No commitment will be made to keep gifts of personal property. Gifts of personal property which cannot be sold or require unusual expense prior to sales are strongly discouraged. If a long time period is expected in selling or disposing of the gift, Nebraska FFA Foundation may ask the donor to fund such expenses with a cash gift. In such a case a Gift Agreement would be struck between the donor and the Nebraska FFA Foundation and details of transaction costs and carry costs of the property.

Retirement assets- Nebraska FFA Foundation accepts the designation of benefits payable from retirement assets such as IRA, 401(k), 403(b), profit sharing, pension or other types of retirement plans. Methods of gifting retirement assets include naming Nebraska FFA Foundation s beneficiary or contingent beneficiary for all or part of the retirement assets.

Publicly-traded securities, tangible personal property - Gifts of Publicly-trading Stocks and bonds may be electronically transferred to Nebraska FFA Foundation's brokerage account and re-registered in the name of the Nebraska FFA Foundation. Nebraska FFA Foundation will also accept interest in mutual funds. Securities are sold upon receipt. Donors must make Nebraska FFA Foundation aware of any Securities and Exchange Commission or other legal restriction on the sale prior to gifting securities.

In-kind gifts - In-kind gifts, to be counted toward the development efforts of the Nebraska FFA Foundation, or Nebraska agricultural education family, must be a part of the operational costs of the affected organizations. Any in-kind gift that does not meet these criteria may be accepted, but will only be counted as a gift and will not be counted toward the Foundation's Star Levels.

Life insurance policies- Donors may transfer ownership of paid-up policies or premium due policies to Nebraska FFA Foundation or make Nebraska FFA Foundation the beneficiary of a policy while retaining ownership. If ownership is transferred, Nebraska FFA Foundation will have all rights of ownership, right to maintain and right to surrender or sell the policy. Premium-due policies will be accepted. Nebraska FFA Foundation may continue to pay the premium, convert the policy to paid-up policy or surrender the policy for its cash value.

Real property – It is the intention of Nebraska FFA Foundation to sell or otherwise dispose of gifted real property as soon as reasonably possible. Due diligence must be executed before accepting a gift of real estate by the Nebraska FFA Foundation because of the unique nature of real estate and onerous state and federal environmental laws. The following eight criteria will be addressed:

1. Inspection – At least two representatives of Nebraska FFA Foundation will physically inspect the property prior to incurring any expenses in connection with the potential transfer.
2. No Debt- The property to be donated must be free of debt and encumbrances.
3. Phase I Environmental Survey – A phase I Environmental Survey, completed by a qualified person or organized, is required. If the survey reveals problems, the real estate will not be accepted.
4. Appraisal – The donor is required by IRS rules to obtain a qualified appraisal. A copy of the appraisal must be provided to Nebraska FFA Foundation to assist in the decision regarding

whether to accept the gift. The appraiser shall comment on the marketability of the property. Nebraska FFA foundation will not bear the cost of the appraisal.

5. Geographical/size/type limitations – Gift of real estate will be limited to those the staff of Nebraska FFA can realistically administer.
6. Title Insurance – Title Insurance is required at the time of transfer to Nebraska FFA Foundation
7. Property Taxes – A tax certificate showing the property taxes are paid is required.
8. Gift Agreement – A Gift Agreement between Nebraska FFA Foundation and the donor, setting forth the responsibility for transaction costs and carrying costs (including property taxes, insurance, maintenance and other costs) of the property and the designed purpose for the gift, shall be executed.

Interest in business entities - Nebraska FFA Foundation will not accept Gifts of interest in a non-publicly traded business entity (stock of a closely-held corporate, limited partnership interest or limited liability company interest). Nebraska FFA Foundation will not accept gifts of general partnership interests, due to liabilities.

Planned Gifts

Nebraska FFA Foundation planned giving program included all forms of gifts whose benefits do not fully accrue to Nebraska FFA Foundation until some future time, such as the death of the donor or other beneficiaries. Planned gifts include the following:

Named Funds- Outright or the residual from planned gifts may be used to establish a specific named fund or may be added to an existing fund. The following three criteria will serve as policy.

1. Person's interested in establishing a named fund are encouraged to consult with the Nebraska FFA Executive Director prior to making the gift/commitment so that donors intentions are appropriately documented in writing. Negotiations of any named funds agreement on behalf of the Nebraska FFA Foundation shall be done at the direction of the Executive Committee.
2. In designating a gift for a specific purpose, the donor is encouraged to clearly describe the purpose as broadly as possible, avoid detailed limitation and restriction and provide a clause granting the Nebraska FFA Foundation maximum flexibility to make use of designated funds.
3. Gifts to establish named funds for specific purpose must be at least \$10,000. The amount of the gift may be paid over three years. The fund is not activated until it is fully funded at the minimum amount.

Bequests- Donors may make bequests to Nebraska FFA Foundation through a will or trust.

Recommended wording for designating gifts to Nebraska FFA Foundation:

1. Unrestricted Gifts

“.....My gift shall be used at the discretion of the Nebraska FFA Foundation, Inc. with its principal office in Lincoln, Nebraska.....”

2. Designated Gifts

“.....My gift shall be used for the benefit of (program, event, award, etc.) of the Nebraska FFA Foundation with its principle office in Lincoln, Nebraska.....”

3. Gifts to support the Nebraska FFA Foundation’s work and mission by contributing to the general operating fund and are utilized to meet the current operations and development needs.

“.....My gift shall be for the purpose of funding current operations of the Nebraska FFA Foundation, Inc., with its principal office in Lincoln, Nebraska.....”

4. Nebraska FFA Endowment Fund

If donors chose to support the Nebraska FFA Foundation Endowment Fund, the principal of their gift is invested and only an annual payout as determined by the Nebraska FFA Foundation is used to support its mission.

“.....My gift shall be for the purpose of funding the endowment fund of the Nebraska FFA Foundation, Inc., with its principal office in Lincoln, Nebraska.....”

Life Insurance and Annuity Beneficiary Designations – Donors may name Nebraska FFA Foundation as a beneficiary or contingent beneficiary of a life insurance or annuity policy.

Other Financial Account Designations- Donors may name Nebraska FFA Foundation as beneficiary of a financial account. Many financial institutions allow “Payable on Death” or “Transfer on Death” designation with respect to bank or brokerage accounts, certificated of deposit or mutual fund interests.

Charitable Gift Annuities – Nebraska FFA Foundation may offer both immediate and deferred payment charitable gift annuities. The annuity rate to be used will be those set by the American Council on Gift Annuities (ACGA) less 100 basis points, but shall in not exceed eight percent. A higher rate may be used only with advanced approval of the Nebraska FFA Foundation Executive Director.

1. The minimum funding amount for a gift annuity will generally be \$20,000. Payments with respect to a gift annuity may not start prior to the time the life income beneficiary reaches the age of 65. If there are two life income beneficiaries, payment may start when the older beneficiary reaches the age of 65. No more than two life income beneficiaries will be permitted for any gift annuity. Annuity payment will be made once a quarter in the fiscal year of the

Nebraska FFA Foundation. Gift annuity contracts may generally be funded only with cash or marketable securities. Any exceptions must be approved in advance by the Nebraska FFA Foundation Executive Director. Upon maturity of the gift, the remaining funds, net of any fees charged by Nebraska FFA Foundation, will be used for the support the mission of the Nebraska FFA Foundation as the Board of Directors directs.

Charitable Remainder Trusts- A Charitable remainder trust pays income to a private beneficiary during the term of the trust, with the remainder passing to a charitable entity. Remainder trusts can be set up by will or during the donor's lifetime. Nebraska FFA Foundation will accept designation as a remainder beneficiary of a charitable remainder trust but will not accept appointment as trustee of a charitable remainder trust.

III. Anonymous Donors

The Nebraska FFA Foundation, Inc. will accept gifts from donors who wish to remain anonymous. The members of the Executive Committee and the Board of Directors are each authorized to accept gifts in the name of the Nebraska FFA Foundation. The Nebraska FFA Foundation Board of Directors individuals are authorized to know the origin of the gift including the donor and the amount.

IV. Memorial or Tribute Gifts

The Nebraska FFA Foundation will accept gifts and commitment in memory of donors loved ones. These gifts will be designated to the continuing support of the FFA, unless the donors make a specific request.

IX. Restrictions

Endowment Restrictions- No restriction on how gifts may be used by Nebraska FFA Foundation will be honored without approval of the Executive Committee. All endowment gifts received by will, which are effective upon deaths that have not been approved by the Executive Committee, must be approved by that committee.

All endowed gifts received will be part of the Nebraska FFA Foundation Endowment Fund.

An endowment with restricted use may be established at \$40,000 minimum gift.

Adopted as policy July 2012.

