

R.O.S.E. RESOURCES/OUTREACH TO SAFEGUARD THE ELDERLY GIFT ACCEPTANCE POLICIES AND GUIDELINES

R.O.S.E. Resources/Outreach to Safeguard the Elderly (the “Corporation”), a nonprofit corporation organized under the laws of the State of Arizona, encourages the solicitation and acceptance of gifts for purposes that will help to further and fulfill its mission. The following policies and guidelines govern the acceptance of gifts made to the Corporation or for the benefit of any of its programs. This Policy shall apply to all non-cash gifts received for any of the Corporation’s programs or services. All cash gifts will be accepted.

ARTICLE I MISSION

All fundraising efforts are intended to provide financial support for activities in furtherance of the Corporation’s mission.

ARTICLE II CHARITABLE SOLICITATION REGISTRATION REQUIREMENTS

The Corporation’s Board of Directors (the “Board”) and its staff solicit current and deferred gifts from individuals, foundations, and corporations to secure the Corporation’s future growth. The Corporation may have to register in each and every state in which the Corporation accepts gifts of a substantial amount, or that are on a repeated and ongoing basis.

ARTICLE III USE OF LEGAL COUNSEL

The Corporation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Real property interests;
- Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- Documents naming the Corporation as Trustee;
- Gifts involving contracts, such as bargain sales or other documents requiring the Corporation to assume an obligation;
- Transactions with potential conflicts of interest that may invoke Internal Revenue Service sanctions;
- Limited partnership, limited liability company or s-corporation shares that may be substantially similar to a listed transaction;
- Registration for charitable solicitation; and
- Other instances in which advice of counsel is deemed appropriate by the Board.

ARTICLE IV CONFLICT OF INTEREST

The Corporation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning

consequences. The Corporation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving.

ARTICLE V RESTRICTIONS ON GIFTS

Unless the donor has expressly specified one or more restrictions on the use of a gift, all gifts shall be classified as “unrestricted.” The Corporation shall not accept gifts with restrictions that violate the organization’s underlying purpose, Mission or ethical standards in any way.

The Corporation will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its mission, purposes, and priorities. The Corporation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the governing documents, are too difficult to administer, or are for purposes outside the mission. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Corporation’s Gift Acceptance Committee (“Committee”). Examples of the types of gifts the Corporation will not accept include, but are not limited to, the following:

- Gifts that violate any federal, state, or local statute or ordinance
- Gifts that contain unreasonable conditions such as a lien or encumbrance
- Gifts that are financially unsound
- Gifts that could expose the Corporation to liability
- Gifts that are discriminatory in line with local, state and federal laws and Corporation policies
- Securities that are assessable or which in any way may create a liability; those that, by their nature, may not be assigned (such as series “E” savings bonds); those that have no apparent value
- General partnership interests
- Any gift that is substantially similar to a listed transaction

ARTICLE VI THE GIFT ACCEPTANCE COMMITTEE

The Committee shall consist of the Corporation’s officers. The Committee is charged with the responsibility of reviewing all non-cash gifts, properly screening, and accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate.

ARTICLE VII TYPES OF GIFTS

A. The following non-cash gifts are acceptable: tangible personal property; securities; real estate; remainder interests in property; oil, gas, and mineral interests; bargain sales; life insurance; charitable gift annuities; charitable remainder trusts; charitable lead trusts; retirement plan beneficiary designations; bequests; and life insurance beneficiary designations.

B. The following criteria govern the acceptance of each gift form:

1. TANGIBLE PERSONAL PROPERTY. All gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the Corporation's mission?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Committee.

2. PUBLICLY TRADED SECURITIES. Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt. In some cases, marketable securities may be restricted by applicable securities laws; in such instances, the Committee shall make the final determination on the acceptance of restricted securities.

3. CLOSELY HELD SECURITIES. Closely held securities, which include not only debt and equity positions in non-publicly traded companies, but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Committee. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent the Corporation from ultimately converting those assets to cash;
- the security is marketable; and
- the security will not generate any undesirable tax consequences.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Committee shall make the final determination on the acceptance of closely held securities and shall be assisted by legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. REAL ESTATE. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Corporation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Corporation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, the Corporation shall obtain a title binder prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real estate, the gift shall be approved by the Committee and its legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the Corporation's purposes?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with

the property?

- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5. REMAINDER INTERESTS IN PROPERTY. The Corporation will accept a remainder interest in a personal residence, farm or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of its stated life. At the death of the donor, the Corporation may use the property or reduce it to cash. Where the Corporation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

6. OIL, GAS, AND MINERAL INTERESTS. The Corporation may accept oil, gas and mineral property interests, when appropriate. Prior to the acceptance of an oil, gas or mineral interest, the gift shall be approved by the Committee and, if necessary, legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that the Corporation has no current or potential exposure to environmental liability.

7. BARGAIN SALES. The Corporation will enter into a bargain sale arrangement in instances in which the bargain sale furthers its Mission. All bargain sales must be reviewed and recommended by the Committee and approved by the Board. Factors used in determining the appropriateness of the transaction include:

- An independent appraisal substantiating the value of the property.
- If the Corporation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- The Corporation's determination that it will use the property or that there is a market for sale of the property allowing sale within 12 months of receipt.
- The costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

8. LIFE INSURANCE. The Corporation must be named as both beneficiary and irrevocable owner before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Corporation will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life

insurance policy, the Corporation may:

- continue to pay the premiums;
- convert the policy to paid up insurance; or
- surrender the policy for its current cash value.

9. CHARITABLE GIFT ANNUITIES. So long as the Corporation has been in continuous operation at least three years and has unrestricted cash or cash equivalents of at least \$300,000, it may offer charitable gift annuities. The Committee may determine the minimum gift for funding. All gift annuities shall comply with A.R.S. §§ 20-119, as amended. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. 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. The Committee may approve exceptions to this payment schedule.

The Corporation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Corporation may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a five-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Committee approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Corporation's general operating funds or to such specific fund as designated by the donor.

10. CHARITABLE REMAINDER TRUSTS. The Corporation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Committee, but it will not accept appointment as Trustee of a charitable remainder trust.

11. CHARITABLE LEAD TRUSTS. The Corporation may accept a designation as income beneficiary of a charitable lead trust, but it will not accept an appointment as Trustee of a charitable lead trust.

12. RETIREMENT PLAN BENEFICIARY DESIGNATIONS. Donors and supporters of the Corporation will be encouraged to name it as beneficiary of their retirement plans. Such designations will not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

13. BEQUESTS. Donors and supporters of the Corporation will be encouraged to make bequests to it under their wills and trusts. Such bequests will not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

14. LIFE INSURANCE BENEFICIARY DESIGNATIONS. Donors and supporters of the Corporation will be encouraged to name it as beneficiary or contingent beneficiary of their life

insurance policies. Such designations shall not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

A. SECURING LEGAL FEES AND APPRAISALS FOR GIFTS TO THE CORPORATION. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Corporation.

B. VALUATION OF GIFTS FOR DEVELOPMENT PURPOSES. The Corporation will record a gift received at its valuation for gift tax purposes on the date of the gift.

C. RESPONSIBILITY FOR INTERNAL REVENUE SERVICE FILINGS UPON SALE OF GIFT ITEMS. The Committee is responsible for filing Internal Revenue Service Form 8282 upon the sale or disposition of any asset sold within two years of receipt when the charitable deduction value of the item is more than \$5,000. The Corporation must file this form within 125 days of the date of sale or disposition of the asset. If the Corporation accepts a vehicle valued at over \$500, it must file Form 1098-C.

D. ACKNOWLEDGMENT OF GIFTS. Acknowledgment of all gifts and compliance with the current Internal Revenue Service requirements in acknowledgment of such gifts shall be the responsibility of the Board.

**ARTICLE IX
CHANGES TO THE POLICY**

This Gift Acceptance Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Gift Acceptance Policy was duly adopted by the Board of Directors effective as of the September 13, 2021.

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Karen Muir

Karen Muir, Secretary