

**Gift Acceptance Policy and Procedures Manual
for the
Archdiocese of Indianapolis
and
Catholic Community Foundation, Inc.**

**Adopted by the Planned Giving Committee
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Definitions

The following definitions and abbreviations are used throughout this document:

- The Archdiocese of Indianapolis (the “Archdiocese”)
- The Archbishop of Indianapolis (the “Archbishop”)
- The Catholic Community Foundation (“CCF” or the “Foundation”)
- The Gift Acceptance Committee – at the time of this document, the Gift

Acceptance Committee consists of the following positions/titles:

- Chair; Planned Giving Council
- Executive Director of Stewardship and Development
- Director of Planned Giving
- Chief Financial Officer
- One Planned Giving Committee Council
- On an as-needed or on-call basis:
 - Vicar General
 - Chancellor
 - Director of Management Services
 - Controller

Policy No. 1

Policy and Responsibility Statements

Policy Statement:

The purpose of these Gift Acceptance Policies and Procedures is to support the Office of Stewardship and Development and Finance Office with guidelines approved by the archdiocesan committees concerning the acceptance of charitable gifts to the Archdiocese of Indianapolis. The designated entity for acceptance of such gifts is the Office of Stewardship and Development. All gifts solicited or unsolicited of money, gifts-in-kind, and/or services of any description to the Church shall be immediately reported to, and when appropriate, receipted by the Office of Stewardship and Development. Gifts received by any Archdiocesan personnel should be reported immediately to the Office of Stewardship and Development.

This policy will facilitate giving by allowing archdiocesan staff to respond quickly in the affirmative, when appropriate, and to seek broader approval before acceptance, when necessary. It will also guide and encourage archdiocesan staff to decline gifts which are not appropriate and cannot be used to the greatest good of the Archdiocese.

Responsibility:

The Catholic Community Foundation Planned Giving Council is responsible for reviewing these policies on an ongoing basis and periodically monitoring staff adherence to that policy. The Archdiocesan Finance Council should be notified of and consulted with regard to any revisions of these policies that have the potential to affect practice or procedure relative to financial reporting, institutional controls or other areas within its direct responsibility.

Policy No. 2

Use of Legal Counsel

All prospective Donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. This is especially true in relation to large gifts of money, gifts of real property and gifts transferred to the Archdiocese through a Will or Trust. At no time should any employee, officer or director of the Archdiocese of Indianapolis draft a Will or Trust for any prospective Donor.

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

- a. review of closely held stock transfers that are subject to restrictions or buy-sell agreements;
- b. review of documents naming the Archdiocese of Indianapolis as Trustee (as a rule, the Archdiocese prefers to never be named as Trustee; however, if it has occurred, then the documents naming the Archdiocese as Trustee should be reviewed by legal counsel);
- c. review of all gifts involving contracts, such as bargain sales or other documents requiring the Archdiocese to assume an obligation;
- d. review of all transactions with potential conflict of interest that may invoke IRS sanctions; and
- e. other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee, the Office of Stewardship and Development or the Finance Office.

Policy No. 3

**Priority of Donor's Interest / Confidentiality / Acknowledgement of Gifts /
Restriction on Gifts / Payment of Fees**

Priority of Donor's Interest:

Whenever possible, we shall honor the Donor's intent with all gifts accepted. In the case of an undesigned bequest or gift, we shall be governed by the following:

Fifty percent or more will be directed to the Archbishop's Endowment Fund and/or the Archdiocesan Home Missions Endowment Fund with the remainder to be used for projects in accordance with current Archdiocesan ministry priorities.

Generally, if a gift is subject to a condition that the gift be used for a specific purpose which is included in the Archdiocese of Indianapolis current operations, or if the gift is subject to a condition that the funds be used for an established endowment purpose, such condition will be accepted.

If, at the time the gift is made, it is clear that the Donor's intent can not (or may not) be possible, that information should immediately be given to the Donor even if it means the Donor may change the gift.

Confidentiality of the Donor / Acknowledgement of Gifts

Whenever possible, the Foundation shall publicize the Donor's name in order to promote charitable giving to the Foundation, but, at all times, the Foundation shall respect the wishes of those Donors who want to remain anonymous.

Restriction on Gifts

The Archdiocese will not accept an irrevocable gift, whether outright or life-income in character, if the gift would be inconsistent with the goals and objectives of the Roman Catholic Church.

The Archdiocese may not accept a gift with a principal value exceeding \$250,000.00, or a gift of the Donor's principal residence, without confirmation that the Donor has been represented by counsel with respect to the gift or has expressly waived such representation in writing.

The Archdiocese will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Archdiocese will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Archdiocese. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee.

Unrestricted Gifts

Fifty percent or more will be directed to the Archbishop's Endowment Fund and/or the Archdiocesan Home Missions Endowment Fund with the remainder to be used for projects in accordance with current archdiocesan ministry priorities.

Earmarking a gift for a specific purpose may make the gift "not charitable," e.g. giving funds for tuition for a particular student. These gifts will not be accepted.

The Archdiocese of Indianapolis's Office of Stewardship and Development may seek the advice of the Archbishop or his designee, the Vicar General, the Chief Financial Officer or legal counsel of the Archdiocese of Indianapolis with respect to any conditions being proposed by the Donor.

Exceptions

When appropriate, the Archbishop or his designee may approve an exception to the policies set forth in this statement.

Payments of Fees

Fees and expenses connected with a charitable gift generally should be borne by the Donor.

A. Finders Fees-The Archdiocese of Indianapolis will not pay a finder's fee for gifts.

B. Donor's Legal Fees-As a general rule, the Archdiocese of Indianapolis will not agree to pay the legal fees of the Donor. However, in unusual circumstances (e.g., where a Donor's assets are not liquid), the Archdiocese of Indianapolis may consider paying the reasonable fees of the Donor's counsel for drafting or reviewing documents or may refer the Donor to no less than three attorneys who practice in the area of estate planning. The Archdiocese of Indianapolis's Director of Planning Giving may approve payment of such fees in amounts not exceeding \$2,500. Payment of fees in excess of that amount requires the approval of the Archdiocese of Indianapolis's Vicar General.

C. Appraisal Fees-The Archdiocese of Indianapolis does not pay appraisal fees relating to gifts from a Donor. However, the Archdiocese of Indianapolis may consider paying reasonable fees for the appraisal of property used to fund gifts if, by doing so, it is in the Archdiocese of Indianapolis's best interest.

D. Broker of Record-If a gift is proposed to the Archdiocese of Indianapolis by a licensed real estate or securities broker, and, if so requested, the Archdiocese of Indianapolis may name that broker as broker of record with respect to the assets used to fund that trust.

Policy No. 4

IRS Responsibility

The Director of Management Services of the Archdiocese of Indianapolis is responsible for filing IRS Form 8282 (Exhibit G) upon the sale or disposition of any asset sold within two years of receipt by the Archdiocese where the charitable deduction value of the item was \$5,000 or greater. The Archdiocese of Indianapolis must file this form within 125 days of the date of sale or disposition of the asset.

Policy No. 5

Cash Gifts

Policies Concerning Cash Gifts.

Archdiocesan employees can receive gifts of cash for the Church in accordance with the internal policies of the Church. Checks should be made payable to: Archdiocese of Indianapolis. Cash or checks may be accepted in any amount.

Procedures Concerning Cash Gifts.

- A. All cash gifts should be forwarded immediately to the Office of Stewardship and Development. They will be receipted to the proper fund and are deposited daily. Receipts will be mailed to the Donor. Matching gifts from employers are credited to the Donor's account in the archdiocesan database and receipts will be sent to the Donor and matching company.

- B. In general, a gift that is mailed or delivered by an overnight delivery service recognized by the Internal Revenue Service is deemed made when posted and surrendered for delivery in the regular course of business. In determining the date of the gift, particular attention should be given to the envelope transmitting any gift that is mailed or sent by such an overnight delivery service, because the postmark on the envelope will generally establish the date for computing the value of the gift. A gift that is transferred electronically is deemed made when it is transferred out of the account of the Donor. Otherwise, the day the gift is received by the Archdiocese will be the date used to determine the date the gift was made for charitable purposes. The Archdiocese is neither required nor obligated to establish the appropriate date used to determine the date the gift was made for the Donor's purposes.

Policy No. 6

Gifts of Tangible Personal Property

Policies Concerning Gifts of Tangible Personal Property

- A. Gifts of tangible personal property will be subject to advance approval by the Archbishop or his designee and the Archdiocesan Office of Management Services.
- B. While exceptions may be considered, the archdiocese requires that gifts such as art, furniture, computers, boats, automobiles, medical equipment, and other forms of tangible personal property, satisfy each of the following before acceptance:
 - 1. The item to be received can be used by the Church and the Church can sell or otherwise dispose of the property;
 - 2. The item to be received is not encumbered by high transportation costs, storage costs, or unusual maintenance; and
 - 3. If the item to be received is encumbered by debt, an independent appraisal must establish that the fair market value of the property equals or exceeds two times the amount of the indebtedness.
- C. If the Archdiocese transfers possession of the tangible personal property within three years of its receipt, the Donor's tax benefits may be nullified. It is best to determine at the time of the gift whether this will be a concern for the Donor. The Archdiocese should make every effort to retain the tangible personal property for at least three years if the Donor is making the gift, whether entirely or partially, for a tax-based purpose.

Procedures Concerning Gifts of Tangible Personal Property

- A. Upon learning of a proposed gift of tangible personal property to the Archdiocese, an Archdiocesan staff member will make every practical effort to meet personally with the prospective Donor, and advance approval of acceptance shall be obtained from the Archbishop or his designee.
- B. Upon acceptance of a gift, the archdiocese will provide a letter of acknowledgement and appreciation to the Donor meeting Internal Revenue Service substantiation requirements. This acknowledgement should come from the Director of Planned Giving or his/her designee.
- C. In general, when a Donor contributed property (other than publicly traded securities) for which a charitable deduction in excess of \$5,000 is claimed, in order to obtain the benefit of a charitable deduction, the Internal Revenue Service will require the Donor to (1) complete IRS Form 8283, (2) obtain a

"qualified appraisal" of the property from a qualified appraiser, (3) attach a fully completed appraisal summary to the tax return in which the deduction is first claimed, and (4) maintain records of certain information listed in Treas. Reg. §1.170A-13(b)(2)(ii). These obligations rest upon the Donor and do not affect acceptance of the donated property by the Church. Upon presentation and acceptance of the gift, however, the archdiocese will sign the Donee Acknowledgement for such gift contained in Form 8283, if requested to do so by the Donor.

- D. If the archdiocese sells, exchanges or otherwise disposes of any property for which it has signed a Donee Acknowledgement within three years of the date the gift was received, the Church shall file Form 8282, Donee Information, with the Internal Revenue Service, with a copy to the Donor, disclosing that the property was disposed of and such other information as the Internal Revenue Service may require.
- E. Donors are responsible for establishing the value of tangible personal property donated to charity. Donors will be encouraged to furnish the Archdiocese with a current written independent appraisal of property to be given to the Archdiocese. Any gift received by the Archdiocese accompanied by a written independent appraisal acceptable to the Archbishop or his designee shall be credited to the Donor at the appraised value. In the absence of such an appraisal, the gift will be carried on the books of the Archdiocese in the manner deemed most appropriate by the Chief Financial Officer of the Archdiocese.
- F. In general, a gift that is mailed or delivered by an overnight service recognized by the Internal Revenue Service is deemed made when posted and surrendered for delivery in the regular course of business. In determining the date of the gift, particular attention should be given to the package or envelope transmitting any gift that is mailed or sent by such an overnight delivery service, because the postmark on the package or envelope will generally establish the date for determining when the gift was made. Otherwise, the day the gift was received by the Archdiocese will be the date used to determine the date of the gift for charitable purposes. The Archdiocese is neither required nor obligated to establish the appropriate date used to determine the date the gift was made for the Donor's purposes.

Policy No. 7

Testamentary Gifts

Testamentary Gift Policies

- A. Employees, officers and directors of the Archdiocese do not prepare wills for Donors to the Archdiocese. Appropriate staff may, upon request, provide suggested gift clauses to Donors' attorneys for inclusion in wills prepared by Donors' attorneys or may refer the Donors to attorneys for the preparation of wills. It is important to stress to the Donor that the attorney preparing the document will be representing Donors' interests and not the interests of the Archdiocese.
- B. Whenever possible, a designated employee of the Archdiocese will review in advance any restrictions or conditions placed on a charitable bequest and confirm that the legal name of the beneficiary is accurately stated and determine how the bequest may be used at the time of the review.
- C. The Archdiocese may not serve as executor of estates or as attorney-in-fact. Officers and directors of the Archdiocese may not serve as executors of estates or as attorneys-in-fact in their capacity as officers and directors under ordinary circumstances. In some instances officers and directors may serve as such, but only with the permission of the Archbishop or his designee.
- D. If a document has been drafted without the knowledge of any of the employees, officers or directors of the Archdiocese which has named the Archdiocese, the Archbishop, an employee, officer or director of the Archdiocese in his or her official capacity as an executor of an estate or an attorney-in-fact, the Director of Planned Giving should review the document with legal counsel and determine the best course of action. In most cases, the best course of action is for the individual to refuse to be named as executor or attorney-in-fact, but there may be exceptions to this rule which can be evaluated on a case-by-case basis.
- D. As a general rule, the Archdiocese will not bear any cost associated with creating or amending a will or revocable trust.
- E. Will bequest be classified as either documented or known/possible as follows:
- Documented – The Archdiocese has a copy of the will or that portion of the will pertaining to the expected gift to the Archdiocese.
 - Known/possible – The Donor has informed a representative of the Archdiocese that there is a bequest for the Church in his or her will.

Testamentary Gift Procedures

- A. When the Archdiocese has been notified that an individual has died, leaving a testamentary gift to the Church, the Office of Stewardship and Development should:
1. Start and maintain a bequest file and checklist (Exhibit D). Add the name of the individual to the file.
 2. Notify and keep the Archbishop or his designee and the Finance Office informed of file activity.
 3. Write a note of appreciation to the attorney, trust officer, or executor and request information on the addresses of surviving heirs.
 4. Send a note of sympathy and appreciation to surviving heirs or loved ones.
 5. After the will has been admitted into probate, request a copy of the will and compare with the will on file (when available) and/or the copy of the will provided by the attorney.
 6. If administration of the estate is going to be lengthy, request one or more partial distributions, seeking the Church's share of the interest earned. However, keep in mind that such partial distributions may not be made for several months. Upon initial contact with the attorney, ask whether the attorney anticipates such distributions and ask for a time frame. Expect that the first distribution will probably not be made for at least six months from the date of death depending on the size of the estate and the difficulty of its administration.
 7. If the Archdiocese is to receive a percentage or residue from the estate, request a copy of the estate inventory, which is ordinarily available 90 days after the will is admitted to probate. Also request the federal estate tax return, if any, and a final accounting.
 8. Documents such as releases, waivers, and final accountings requiring the signature of an Archdiocesan representative should be reviewed by Archdiocesan counsel and executed by the Chief Financial Officer of the Archdiocese.
 9. On completion of the probate proceedings, provide all documents to the Finance Office for handling of fund set-up and management. Gift procedures provided elsewhere in these policies should be followed when applicable. Original documents will be maintained by the Office of Stewardship and Development.
- B. When an employee, director or officer of the Archdiocese learns of a known or possible bequest, the Office of Stewardship and Development should:
1. Notify the Archbishop or his designee.
 2. Start and maintain a bequest file and checklist.
 3. When appropriate, send a letter of acknowledgement and appreciation to the Donor. A copy of the acknowledgement letter goes in the Donor's file.

In the acknowledgement letter, the Church should **offer** to retain a copy of the portion of the will pertaining to the gift to the church, but this should be the Donor's decision. The letter should also explain that sending a copy does not obligate the Donor if he or she wishes to make a change.

4. The Archdiocese should annually review all known and possible bequests, and make sure individuals have been visited in the last 12 months.
- C. In working with Donors who desire to name the Archdiocese as a beneficiary in their will or a trust or a Payable on Death Account, and in order to avoid conflict of interest and assure legal sufficiency of the will, the Archdiocese (its members, officers and/or employees) should:
1. Encourage the Donor to have the will or trust prepared by the Donor's attorney; if the Donor does not have an attorney, the names of not less than three lawyers known to practice in the area of probate and estate may be provided by the Archdiocese;
 2. Decline to prepare the Donor's will or trust or pay for its preparation by an attorney (there may be some exceptions to this rule, but they will be few and far between and must be approved by the Director of Planned Giving – this service should not be offered; rather it will only be available if the Donor asks for the service and the Director of Planned Giving approves the request);
 3. Decline to be named personal representative of the Donor's estate or trustee of any trusts created either by the estate planning document or any other document;
 4. Decline to act as a witness for the Donor;
 5. Decline to act as executor or personal representative of the estate; and
 6. Decline to prepare any beneficiary forms or signature cards of Payable on Death Accounts.

Policy No. 8

Gifts of Securities

Policies Concerning Gifts of Securities

- A. Unless otherwise approved by the Archbishop or his designee, the Archdiocese does not accept gifts of securities if they include:
1. Securities that may create a liability to the Archdiocese;
 2. Securities that by their nature may not be assigned (excepting securities with transitory restrictions on the assignment, such as stock subject to the resale restrictions of Rule 144 under the Securities Act of 1933); and
 3. Securities that, upon investigation, have no apparent value.
- B. In general, gifts of readily marketable securities will be sold as soon as practical unless:
1. The Chief Financial Officer of the Archdiocese, after consultation with the Investment Committee, Vicar General, and Executive Director of Stewardship and Development decides that the stock should be held as a part of the Archdiocese's portfolio;
 2. The number of shares involved is sufficient to have a depressing impact on the price of the stock, in which event the sale may be extended over a period of time necessary to avoid such an impact; or
 3. The terms of the gift declare otherwise or the stock is subject to contractual or regulatory restrictions on sale, such as the resale restrictions of Rule 144 under the Securities Act of 1933.
- C. Securities that have certain resale restrictions generally should be held until the restrictions on sale expire and then sold under the guidelines above.
- D. Gifts of bonds that require a holding period generally should be accepted and cashed when the holding period has expired.
- E. Gifts of interest in closely-held entities (including, but not limited to, corporations, limited partnerships, limited liability companies and similar entities) may be accepted only with the approval of the Chief Financial Officer of the Archdiocese, after consultation with the Investment Committee, Vicar General, and Executive Director of Stewardship and Development, and only when an investigation reveals no significant potential liability for the Archdiocese in receiving the gift, and any lack of liquidity is anticipated to present no major difficulties for the Archdiocese or with respect to the terms of any planned gift. In addition, interest in closely-held entities that transfer control of the entity to the Archdiocese may be accepted only when the potential benefits from the gift outweigh potential liabilities; where the company involved is not engaged in activities inconsistent

with the goals and objectives of the Archdiocese; and where the demands on staff time regarding the management of the company are acceptable. As a condition of receipt of the gift, the Archdiocese must receive the ability to have access to the books and records of the closely-held entity, during the entire period of time the closely-held securities are held by the Archdiocese, for the purpose of valuing its interest.

- F. Unless waived by the Chief Financial Officer of the Archdiocese, if the proposed gift is one of stock in a closely-held corporation that currently owns or formerly owned real property, or other property (such as mortgage notes) secured by an interest in real property, the Archdiocese shall comply with its Environmental Assessment Policy Number 20.
- G. If the Archbishop or his designee or any other individual has any question regarding the benefits and possible problems of accepting or retaining any gift of securities, advice may be sought from a financial professional. Such advice should be in writing and should be placed in the file containing either the acceptance or refusal of the gift to help explain why the gift was accepted or refused.

Procedures Concerning Gifts of Securities

- A. Upon learning of a proposed gift of securities, a staff member in the Office of Stewardship and Development should make every practical effort to meet personally with the prospective Donor.
- B. The staff member accepting a gift of securities will notify the Executive Director of Stewardship and Development, the Finance Office, the appropriate Office of Stewardship and Development staff member, and the Archdiocesan broker (in situations utilizing this service) that stock is being or will be transferred. Donors are encouraged to consult their own advisors to determine the most advantageous method of giving securities.
- C. Securities gifted by electronic transfer from Donor's brokerage firm to the Archdiocesan brokerage firm should be preceded by a letter or e-mail from the Office of Stewardship and Development providing stock gifting instructions for the Donor.
- D. Securities not handled by a broker should be delivered by hand or sent only by certified or registered mail, or by an overnight delivery service recognized by the Internal Revenue Service. A stock power form signed by the Donor naming the Archdiocese as transferee should also be sent along with a Letter of Instruction. If a blank stock power is used, it should be sent in a separate envelope, using certified or registered mail, or hand delivery.

- E. In general, when a gift is mailed the certificate should be left blank and sent in one envelope. A separate envelope should be sent which includes the signed stock power and letter of instruction. Both envelopes should be sent by certified mail.
- F. In general, a gift that is mailed or delivered by an overnight delivery service recognized by the Internal Revenue Service is deemed made when posted and surrendered for delivery in the regular course of business. In determining the date of the gift, particular attention should be given to the envelope transmitting any gift of securities that is mailed or sent by such an overnight delivery service, because the postmark on the envelope will generally establish the date for computing the value of the gift. When two envelopes are used, the date on the postmark of the later envelope will control. A gift that is transferred electronically is deemed made when it is transferred out of the account of the Donor. Otherwise, the day the stock was received by the Archdiocese will be the date used to determine the fair market value of the gift for Archdiocesan purposes. The Archdiocese is neither required nor obligated to establish the appropriate date used to determine the fair market value of the gift for the Donor's purposes.
- G. To determine the fair market value of the gift of stock for Archdiocesan purposes, the Archdiocese will use the average of the high and low value of the stock as listed on the applicable stock exchange in the *Wall Street Journal* or any other comparable reporting periodical for the appropriate date of receipt of the stock (as discussed above). If that date should fall on a day the exchange is closed, the average will be computed between the high and low values of the stock as listed on the applicable stock exchange in the *Wall Street Journal* or other comparable reporting periodical for both the preceding business day and the following business day from the date of the receipt of the gift. The average of such two averages will be the appropriate value for Archdiocesan purposes. In all events the responsibility for determining the value of a gift of securities for the purposes of the Donor's income tax charitable deduction shall be exclusively the responsibility of the Donor.
- H. Upon acceptance of a gift, the Archdiocese will provide a letter of acknowledgement and appreciation to the Donor meeting Internal Revenue Service substantiation requirements.
- I. The Office of Stewardship and Development should notify the appropriate director who is working with the Donor when a gift of securities has been received electronically and that Director will notify the Donor that the transfer has been completed.

Policy No. 9

Gifts of Real Property and Mineral Interests

See Attached Real Estate Survey Form which may be used when Donor calls with gift of real property. It is attached to this policy manual as Exhibit "A".

Reasons for Possible Rejection of Real Property

- A. Property which is the subject of one or more mortgages – these are normally rejected unless property is of exceptional value to the Archdiocese. The Chief Financial Officer must make this determination.
- B. Industrial/commercial property – same as above. Due to volatility in the worth or use of such property as well as potential environmental contamination (see environmental assessment requirements below) of said property, accepting such property could cost the Archdiocese more than it is worth. The Chief Financial Officer must make this determination.
- C. Property which contains one or more long-term (1+ years) lessees – the buyer must honor the lease(s). This could be a positive or a negative for a potential buyer. The more restrictive the property, the smaller the market for selling. This will be viewed within the context of the total assessment of the property.
- D. Property which is the subject of outstanding liens, unpaid taxes or assessments and other encumbrances – these are to be considered for acceptance only if evaluation convincingly demonstrates that the property can be sold at a price which exceeds the aggregate amount of the encumbrances and any costs associated with satisfying them.
- E. Property which contains buildings which are in poor condition – these are usually rejected unless property (land) is of interest to the Archdiocese and/or the total probable gain from the sale of the property will far exceed the cost of upkeep and repair. The Chief Financial Officer must make this evaluation.
- F. Property which contains observable or potential toxic and chemical contamination – any property that is used to manufacture, store or distribute chemicals of any kind is always rejected.

Policies Concerning Gifts of Real Property and Mineral Interests

- A. The following policies apply to all gifts and proposed gifts relating to or subject to real property or mineral interests.
- B. When the Archdiocese receives a gift of a residence or farm, with a life estate reserved, the Archdiocesan staff member will notify the Donor and his/her counsel in writing that property taxes, maintenance, insurance and compliance with environmental regulations continue to be the responsibility of the Donor as long as he/she lives, unless otherwise approved by the Archbishop or his designee.
- C. The Archdiocese seeks to minimize and, when possible, avoid environmental liability arising from the ownership or control of real property by taking actions that are reasonably appropriate to determine the extent of any environmental contamination before accepting ownership or control of the real property. At a minimum, a Phase One environmental study will be done on any potential gift of real property to the Archdiocese.
- D. If the Archdiocese accepts real property with on-going activities that are subject to environmental regulation, the Archdiocese will comply with all applicable environmental laws and regulations concerning the real property after accepting ownership or control of the real property.
- E. The Donor must:
- Have a survey done of any gifts of real property to the Archdiocese;
 - Complete a building inspection of any residential or community property given to the Archdiocese; and/or
 - Have gifts of real property appraised by a qualified appraiser to establish a fair market value for the Donor's purposes.

Unless otherwise pre-approved by the Archbishop or his designee, the Archdiocese will not pay for any of these costs.

1. The appraisal must be prepared not earlier than 60 days prior to the date that the contribution is made, and must be prepared not later than the due date of the return on which the deduction is claimed or the date that an amended return is filed if the amended return is the first return on which the deduction is claimed.
2. The appraisal must be prepared, signed and dated by a qualified appraiser as defined in #5 below.

3. At a minimum, the appraisal must include the following information:
 - a. A description of the property in sufficient detail for a person who is not generally familiar with the type of property to ascertain that the property that was appraised is the property that was (or will be) contributed;
 - b. In the case of tangible property, the physical condition of the property;
 - c. The date (or expected date) of contribution to the donee;
 - d. The terms of any agreement or understanding entered into (or expected to be entered into) by or on behalf of the Donor, which relates to the use, sale or other disposition of the property contributed. This includes restrictions on the donee's right to use or dispose of the donated property, all provisions which confer on anyone, other than the donee, the right to income from the donated property or the right to possession of the property, including voting rights to securities, a right of purchase, or a right to designate the person to receive income, possession or right to purchase, or a provision which earmarks the donated property for a particular use. As an added precaution, all agreements between the Donor and the Archdiocese relating to the gift should be attached to the appraisal and incorporated into it by reference;
 - e. The name, address and taxpayer identification number of the qualified appraiser. If the qualified appraiser is a partner in a partnership, an employee of any person (whether an individual, corporation or partnership), or an independent contractor engaged by a person other than the Donor, the appraisal will include the name, address and taxpayer identification number of the partnership or the person who employs or engages the qualified appraiser;
 - f. The qualification of the qualified appraiser;
 - g. A statement that the appraisal was prepared for income tax purposes;
 - h. The date or dates on which the property was valued;
 - i. The appraised fair market value of the property on the date (or expected date) of contribution;
 - j. The method of valuation used to determine the fair market value, such as the income approach, the market data approach, or the replacement-cost-less-depreciation approach;
 - k. The specific basis for the valuation, if any, such as any specific comparable sales transactions;
 - l. A description of the fee arrangement between the Donor and the appraiser.
4. The appraiser must sign the Appraisal Summary when the Donor presents it. In this regard, no part of the fee arrangement for a qualified appraisal

can be based, in effect, on a percentage (or set of percentages) of the appraised value of the property.

5. To be a "qualified appraiser," the appraiser must sign and complete Internal Revenue Service Form 8283, Section B, denoted "Appraisal Summary." The Appraisal Summary includes declarations by the appraiser that:
 - a. The individual holds himself or herself out to the public as an appraiser;
 - b. Because of the appraiser's qualifications as described in the appraisal, the appraiser is qualified to make appraisals of the type of property being appraised; and
 - c. The appraiser is not:
 1. The Donor or the taxpayer who claims or reports the deduction under Section 170 for the contribution of the property being appraised;
 2. A party to the transaction in which the Donor acquired the property being appraised (i.e. the person who sold, exchanged or gave the property to the Donor, or any person who acted as an agent for the transferor or for the Donor with respect to such sale, exchange or gift), unless the property is donated within two months of the date of acquisition and its appraised value does not exceed its acquisition price;
 3. The donee of the property;
 4. Any person employed by any of the foregoing persons or related to any of the foregoing persons under Section 267(b) (e.g., if the Donor acquired a painting from an art dealer, neither the art dealer nor the persons employed by the dealer can be qualified appraisers with respect to that painting);
 5. Any person whose relationship with any of the persons listed in (1) through (4) above would cause a reasonable person to question the independence of such appraiser. For example, an appraiser who is regularly used by any person described in (1) through (3) above and who does not perform a substantial number of appraisals for other persons has a relationship with such person that is similar to that of an employee and cannot be a qualified appraiser with respect to the property contributed.

- d. The appraiser understands that a false or fraudulent overstatement of the value of the property described in the qualified appraisal or appraisal summary may subject the appraiser to a civil penalty under Section 6701 for aiding and abetting an understatement of tax liability, and consequently the appraiser may have appraisals disregarded pursuant to 31 U.S.C. Section 330 (c)

- F. In general, it is the policy of the Archdiocese not to accept contributions of real property subject to any form of indebtedness or other liability in order to prevent the Archdiocese from becoming responsible for the payment thereof. Circumstances may arise where the Archbishop or his designee, after appropriate consultation, believes that the acceptance of a gift encumbered by some form of liability would be in the Archdiocese's best interest and that any financial risk would be within acceptable limits. In such event, the Chief Financial Officer of the Archdiocese, after consultation with the Investment Committee, Vicar General, and Executive Director of Stewardship and Development shall determine whether to accept the gift and will prepare a response for the Donor as soon as possible. In evaluating whether to accept such gift, consideration shall be given to the fair market value of the gift, the amount of the potential liability, the projected ability to sell the property, the costs associated with selling the property and projected other matters deemed relevant.

- G. In general, the Archdiocese will not accept a gift involving real property that makes the Archdiocese a principal in a real estate partnership, undivided interests in real estate, joint venture, or business activity in which the Church participates fully in the risks of the operation and has more than limited liability for the conduct of the business (e.g., as a general partner, principal in a joint venture, or as an owner of a working interest).

- H. Gifts of mineral interests may be received absent extenuating circumstances such as extended liabilities or other considerations making receipt of the gift inadvisable. In this regard, prior to the acceptance of mineral interests, all offered gifts are to be first examined by a qualified consultant for such extenuating circumstances that would argue against receipt of the gift. The expense of the examination must be borne by the Donor unless the Archbishop or his designee and the Archdiocesan Finance Council approve an exception. Potentially adverse effects of receiving mineral interests, which entail special problems regarding taxation, should be considered in advance of receipt of the gift with a view towards establishing a plan that will minimize any adverse effect on the tax status of the Archdiocese.

Procedures for Accepting Gifts of Real Estate and Mineral Interests

- A. Upon notification of a potential gift of real property, the Archdiocese should make every practical effort to meet with the prospective Donor. The preferred person for this meeting is a staff member of the Office of Stewardship and Development and may include other appropriate staff members (for example, from the Office of Management Services).
- B. Gifts of real property, where there is no restriction on the current sale of property and where market conditions are favorable, are acceptable.
- C. The following procedures must be followed with respect to any gift of real estate, including any gifts in trust or any gifts of remainder interests. Gifts of real estate, where there are restrictions on the current sale of property or where market conditions are unfavorable, should be carefully scrutinized before being accepted.
- D. Prior to the Archdiocese of Indianapolis accepting a gift of real estate, each gift must be reviewed and approved by an appropriately designated officer of the Archdiocese. A proposed gift package (described below) of each potential gift of real estate, to be prepared by the Archdiocese of Indianapolis's Planned Giving Department within the Office of Stewardship and Development, will be presented to the designated officer for consideration. The Chief Financial Officer, after consultation with the Investment Committee, Vicar General, and Executive Director of Stewardship and Development will recommend the acceptance or rejection of the gift.
- E. Total costs of accepting the gift and owning the property to be assumed by the Archdiocese of Indianapolis should be reviewed and approved in accordance with this policy.
- F. The Archdiocese of Indianapolis will undertake, prior to accepting the real estate, all appropriate inquiries into the previous ownership and uses of the property in an effort to minimize liability arising from potential environmental issues. The appropriate designated officer of the Archdiocese may require a report from an environmental engineering firm before recommending that such real estate gift be accepted.
- G. Real estate should be accepted only if the expected sales proceeds sufficiently exceed all potential costs of ownership. The Chief Financial Officer shall participate in this evaluation.
- H. A proposed gift package should be prepared by the Archdiocese of Indianapolis's Planned Giving Department and forwarded to the designated officer for review and, in turn, the designated officer should submit his recommendation to the

Archbishop or his designee for approval prior to the completion of the gift. The following steps should be taken, and relative information should be submitted:

1. Description of property and circumstances surrounding gift.
 2. A preliminary report of title (prepared by a title insurance company or lawyer).
 3. Documentation that establishes a gift or trust.
 4. An appraisal of the value of the property.
 - a. The appraiser should be qualified.
 - b. The appraisal should have been prepared within six months of the proposed transfer.
 5. List of approximate costs to the Archdiocese of Indianapolis, including estimates on carrying costs, annual insurance premiums, etc.
 6. List of liens and encumbrances with current balances.
 7. Indication of marketability and issues relative to the future sale of the property.
 8. A Level I Environmental Site Assessment (unless previously waived by the Director of Office Management Services or his/her designee).
 9. A report by an environmental engineering firm, which should include:
 - a. A review of past ownership and uses, including inquiries into persons who dealt with the previous owners and the owners of adjacent properties.
 - b. An inspection of the property and neighboring properties. If questions arise, an environmental audit should be conducted by a qualified engineering firm.
 - c. An interview with the prospective Donor on environmental issues.
 - d. An inspection of EPA (Environmental Protection Agency) and other appropriate regulatory agency records.
 - e. If the property is a business property, a review of the company records for disposal of hazardous materials.
 10. If a property is transferred in trust:
 - a. Obtain specific warranties and indemnification from the trust grantor for lifetime transfers.
 - b. Check the inclusion of special powers and protective language in the governing document.
- I. The Archdiocese of Indianapolis, as a general rule, does not pay the legal or other fees of the Donor. However, the Archdiocese of Indianapolis may consider, in unusual circumstances, paying certain fees according to the following guidelines:

1. The Archdiocese of Indianapolis may consider paying the reasonable costs of the following expenses associated with a transfer of real property:
 - a. Legal fees;
 - b. Appraisal;
 - c. Registration fees.

 2. The Archdiocese of Indianapolis may consider paying for an environmental audit (when necessary) regarding a potential gift, but this practice is generally NOT recommended. The potential Donors should be liable for this audit.
- J. Once recommended by the designated officer, and approved by the Archbishop or his designee, the following procedures should be followed:
1. Each property accepted as a gift should be listed immediately with reputable real estate brokers with instructions to aggressively market such property for sale.
 2. Long-term leasing should be discouraged unless it would clearly increase the prospects of sale.
 3. Insurance coverage on any property must be maintained at all times.
- K. Unless in extraordinary circumstances and approved by the Archbishop or his designee, the Archdiocese does not accept:
- Trailer Homes
 - Homes/Buildings that need to be relocated.

Policy No. 10

Bequeathed Real Estate

- A. For the most part, bequeathed real estate is to be treated the same as real estate gifted to the Archdiocese during the Donor's lifetime.
- B. Donors and their legal counsel, if they have any, will be encouraged to discuss with Archdiocesan officials contemplated bequests of real property before finalizing their will or trust.
- C. Property bequeathed to the Catholic Community Foundation of the Archdiocese of Indianapolis and/or the Archbishop or his designee when the Foundation is responsible for the disbursement of proceeds from the sale of the property will be evaluated like all other real estate gifts.
- D. The bequest will be refused if the property does not meet the stated requirements for acceptance.
- E. A member of the staff of the Office of Stewardship and Development should contact the Donor and/or legal counsel and offer to keep a copy of the will (or the part of the will regarding the gift) in the Donor's file, but this is to be the Donor's decision.

Policy No. 11

Gift Annuities

Policies Concerning Gift Annuities

- A. An annuity agreement will not be executed until the Director of Planned Giving has approved it. The Director needs to know the age and birth date of all income beneficiaries, the amount of annuity, the interest rate to be used and any other relevant financial information for review of the annuity.
- B. In working with prospective gift annuity Donors, care will be taken that the person entering the annuity fully understands that the annuity gift is irrevocable and understands the nature of the fixed payment which will be payable to him or her. All prospective Donors will be urged to seek advice of their own legal and/or tax counsel. The Stewardship and Development staff member will communicate clearly to the prospective Donor that he or she represents the Archdiocese.
- C. A Stewardship and Development staff member will make every practical effort to meet personally with prospective gift annuity Donors.
- D. All gift annuities entered into with the Archdiocese must predominantly benefit the Archdiocese and in every instance must benefit exclusively charitable, religious or educational causes.
- E. No gift annuity will be entered into for an amount less than \$10,000.00.
- F. The annuitant(s) must be at least sixty (60) years of age for an immediate charitable gift annuity. If it is a deferred charitable gift annuity, the minimum age of the annuitant at the time payments begin must be sixty (60) years of age. In the case of a two-life, immediate or deferred charitable gift annuity, the minimum age applies to the younger of the two annuitants. In the case of a flexible charitable gift annuity where payments are for a defined period of years rather than life, an annuitant can be younger than sixty (60) years of age.
- G. Gift annuities will be funded only with cash, cash equivalents or publicly traded securities.
- H. All charitable gift annuity (CGA) accounts be assessed an annual administrative fee of one percent, which would go into a special fund to be used to support future costs. The fee would be applied quarterly to the balance of all CGA's (new and existing). The purpose of the fund will be to establish a reserve fund to offset any CGA account with a negative balance during the annuitant payout period and/or at the time of contract expiration. The investment committee will conduct an annual evaluation of both the fee and its designated purpose(s), and will

retain the ability to make necessary adjustments for the future benefit of the archdiocese.

- I. The Archdiocese maintains the right to set its own gift annuity rate. However, it is the policy of the Archdiocese to adhere to the rates recommended by the American Council on Gift Annuities.
- J. Gift annuity Donors in Indiana will be reminded in correspondence or conversations with them and their advisors that a qualified charitable gift annuity is not insurance under the laws of the State of Indiana, nor is it subject to regulation by Indiana Department of Insurance, nor is it protected by a guaranty association affiliated with Indiana Department of Insurance. Most specifically, this information will be in the gift annuity document in a type and format to be at least as large and as obvious as the other language in the gift annuity. All requirements in other states will be addressed with similar care as to compliance with local law.
- K. All gift annuity Donors shall be required to provide the tax basis of donated assets. For purposes of tax reporting and gift annuity accounting, the Archdiocese shall rely on tax basis information provided by the Donor. If no such information is provided, the Archdiocese shall assume that the tax basis of the gift asset is zero dollars, and the Donor shall be so advised in writing.
- L. The Archdiocese will provide gift receipts meeting Internal Revenue Service substantiation requirements for gift annuities.
- M. The Catholic Community Foundation, Inc. is responsible for the oversight of the annual information in the form of IRS Form 1099-R and necessary supplemental information will be provided to Archdiocesan Donors by January 31st of each and every calendar year with regard to the filing of federal income tax returns (and state and local income tax returns where necessary).
- N. The Finance Office is responsible for the annual review of the procedures for and maintenance of individual state registration for the issuance of gift annuities. State registration policies for the issuance of gift annuities may change. These should be confirmed with the Office of the Indiana Secretary of State on an annual basis.

Procedures Concerning Gift Annuities

- A. When the Archdiocese enters into a Gift Annuity agreement, the Director of Planning Giving should:
 - 1. Prepare and have Donor sign duplicate originals of:

- a. Gift Annuity Agreement (both returned to the Archdiocese for the signature of the Archbishop or his designee).
 - b. Disclosure statement with a copy of the most recent annual report of the Catholic Community Foundation. (Donor keeps one copy and returns other to the Archdiocese.)
2. Prepare and have Donor(s) and life income recipient(s) sign a W-9 (Exhibit E), to verify Social Security number(s).
3. Return to Donor(s) a signed original of the Gift Annuity Agreement.
4. Send Donor(s) gift receipt meeting Internal Revenue Service substantiation requirements.
5. Prepare and send thank you letter signed by the Archbishop or his designee to Donor. Copy of the letter should be made for Gift Annuity File.
6. If approved by Donor, prepare and send letter informing remainder beneficiary(ies) of gift. Copy of letter should be made for Gift Annuity File.
7. The policy for the establishment of new annuities is as follows: new annuitants' funds will be held in an interest bearing money market for the benefit of the Archdiocese of Indianapolis at UBS Financial Services, Inc. until the first of the ensuing month. Upon completion of the prior month's valuation, the funds will be added proportionately to the Investment Portfolio. This investment will occur on or about the 15th of the month. This will in no way inhibit the ability of annuitants to receive their first check in a timely manner.
8. The Charitable Gift Annuity Program will be valued on a monthly basis by a third party consultant with the program valuations and individual annuity valuations. Upon review, the consultant will forward these numbers, via e-mail, to the Office of Accounting Services.
9. Provide gift information form Office of Stewardship and Development for input into the archdiocesan database.

- B. Office of Stewardship and Development should:
1. Add gift annuity information to payment management system for the Archdiocese.
 2. Recheck all software and payout information.
- C. During life of annuitant(s), Fund Administration should be handled by the payment management system:
1. With a two-life annuity, note death of first to die in appropriate files.
 2. Payment should be rounded upward, not downward, so that all payments are identical.
- D. During life of annuitant(s), the Director of Planned Giving or appropriate staff member should:
1. Enclose personal note or letter to Donor(s) and annuitant(s) (if different) at least once per year.
 2. With a two-life annuity, send note of sympathy to appropriate parties upon death of first annuitant.
- E. During life of annuitant(s), the Planned Giving Office should:
1. Adjust the books annually for Annuities Payable and Beneficiaries for the funds that will not remain with the Archdiocese upon the death of the last annuitant.
- F. Upon death of last annuitant, the Director of Planned Giving should:
1. Obtain death certificate, obituary or service bulletin.
 2. Take appropriate steps to administer the gift in accordance with gift annuity and final fund distribution terms.
 3. Immediately contact UBS Financial Services, Inc.
 4. The funds remaining in the annuitant's portfolio will be distributed upon completion of the current month valuation, on or about the 15th of the following month.

G. Upon death of last annuitant, the Director of Planned Giving should:

1. Send note of sympathy and appreciation to heirs and loved ones.
2. If ongoing distributions are to be made through an endowment fund, send letter to remainder beneficiary(ies) at time of death and/or with first payment depending on payment schedule.

Policy No. 12

Charitable Trusts

Policies Concerning Charitable Trusts

- A. In working with prospective charitable trust Donors, care will be taken to ensure that the person creating the trust fully understands that the trust is irrevocable and understands the nature of the payments that will be made to the trust beneficiaries. All prospective Donors will be urged to seek advice of their own legal and/or tax counsel. The relevant Stewardship and Development staff member will communicate clearly to the prospective Donor that he or she represents the Archdiocese.
- B. A Stewardship and Development staff member will make every practical effort to meet personally with prospective charitable trust Donors.
- C. All charitable trusts entered into with the Archdiocese must benefit the Archdiocese and in every instance must benefit exclusively charitable, religious or educational causes with values and objectives consistent with those of the Archdiocese.
- D. Gifts of any asset other than cash, unrestricted publicly traded securities, or readily marketable real estate will not be accepted as funding for charitable remainder annuity trusts or "straight" charitable remainder unitrusts. The Archdiocese further will not accept a gift of non-liquid assets in trust if it is anticipated that cash overdrafts may occur in the account. The Archbishop or his designee, in consultation with the Finance Council, must approve any exceptions, and, if exceptions are approved in the case of charitable trusts, the Donor will be advised to seek legal counsel regarding the effect of a cash overdraft on the qualification of the trust, and will be urged to contribute sufficient liquid assets to the trust to cover all costs relating to holding the property until it is sold.
- E. Donors of all split-interest gifts shall be requested to provide the tax basis of donated assets. For purposes of the tax reporting and trust accounting, the Archdiocese shall rely on tax basis information provided by the Donor. If no such information is provided, the Church shall assume that the tax basis of the donated asset is zero dollars (\$0).
- F. All charitable trusts shall be approved by the Archbishop or his designee. Only the Chief Financial Officer of the Archdiocese shall have the authority to sign charitable trusts on behalf of the Archdiocese.

- G. With respect to charitable remainder trusts, the value of the charitable remainder (regardless of the amount of the charitable deduction) must be at least 10% of the net fair market value of the property transferred to the trust on the date of contribution.
- H. Annual information in the form of IRS Schedule K-1 or substitute K-1 and necessary supplemental information will be provided by the Archdiocese to Donors in a timely manner.
- I. The Catholic Community Foundation, Inc. shall assess one percent (1%) annually for Charitable Remainder Trusts. Rates include 0.35 basis point.
- J. No generation-skipping trusts will be accepted.
- K. Charitable Remainder Annuity Trusts ("CRAT") – A CRAT is a trust that gives one or more persons the right to receive fixed annual payments for a term of years or for life. Whatever remains in the CRAT at the end of the term of years or at the death of the last annuity beneficiary becomes the property of the remainderman. The fixed annual payment (i.e., annuity) payable to the annuity beneficiary or beneficiaries is calculated by multiplying a fixed annuity percentage (established in the CRAT document) times the initial fair market value of the property transferred to the CRAT.
 - 1. The minimum initial gift to fund a Charitable Remainder Annuity Trust shall be cash, publicly traded securities or readily marketable real estate with a value of at least \$25,000. Additions may not be made to the annuity trusts which will last for more than two measuring lives the younger of which may not be less than 65 years of age for a selected term of years if such term is no longer than 20 years or for an appropriate combination of both.
- L. Charitable Remainder Unitrusts ("CRUT") – A CRUT is similar to a CRAT except that the annual payments are a percentage of the fair market value of the property determined annually.
 - 1. The minimum initial gift to fund a Charitable Remainder Unitrust shall be cash, publicly traded securities or readily marketable real estate with a value of at least \$25,000. Subsequent additions to the unitrust may be made at any time unless the trust agreement provides otherwise. The percentage to be paid by the unitrust to the Donor or to the Donor's designee(s) shall be approved by the Archbishop or his designee. In no event shall the rate be less than five percent (5%). Representatives of the Archdiocese will discuss appropriate charitable remainder trust variations with Donors, including "straight," "net income," "net income with make-up," and "flip" unitrusts.

2. The Archdiocese will not accept unitrusts that last for more than two measuring lives the younger of which may not be less than 65 years of age, for a selected term of years with a term of no longer than 20 years, or an appropriate combination of both.
- M. The Archdiocese will serve as trustee of a charitable trust only when such service is approved by the Archbishop or his designee after consideration of the trust as a whole and a review of the trust instrument.
- N. As a general rule, the Archdiocese will not accept a fee for service as trustee of a trust of which it is a beneficiary, but may recover its direct and indirect expenses incurred in managing the trust assets and the trust.
- O. As trustee, the Archdiocese may hire attorneys, accountants, agents, investment advisors, investment managers and brokers whose services are reasonably necessary to the administration of the trust estate, and it may delegate acts that are merely mechanical or ministerial, although discretion with respect to investment authority may not be delegated without specific authorization in the trust instrument.
- P. As a general rule, the initial corpus of a charitable trust should be conveyed to the trust simultaneous with the execution of the trust by the Donor.

Trust Procedures

- A. When the Archdiocese enters into a Trust Agreement as Trustee, the Director of Planning Giving should:
1. Prepare and have Donor sign duplicate originals of:
 - a. Trust Agreement (both returned to the Archdiocese for the signature of the Archbishop or his designee)
 - b. Attorney disclaimer letters if the Donor(s) did not consult with a professional advisor (attorney or CPA) in the gift planning process. (Donor keeps one and returns other to the Archdiocese.)
 2. Prepare and have Donor(s) and life income recipient(s) sign a W-9, to verify Social Security numbers.
 3. Return to Donor(s) a signed original of the Trust Agreement. Send Donor(s) gift receipt meeting Internal Revenue Service substantiation requirements.

4. Prepare and send thank you letter signed by the Archbishop or his designee to Donor. Copy of letter should be made for Trust file and comprehensive Donor file. Unlike most other gifts, the Internal Revenue Service substantiation requirements do not require formal substantiation of contributions to charitable trusts.
5. Prepare and send thank you letter to any professionals assisting with gift. Copy of letter should be made for the Trust file and comprehensive Donor file.
6. Assure that all transfer documents, such as stock powers and deeds, are properly handled, and that deeds for real estate are timely and properly filed in the appropriate deed records.
7. Carefully review trust instrument for unusual and specific provisions such as the unitrust or annuity amount, payment dates (e.g. quarterly, etc.) and accounting requirements.
8. Provide completed gift information form (sample attached and full set of documents including Trust Agreement, software analysis and W-9) to Finance Office for accounting Trust file.
9. Provide gift information form to the Office of Stewardship and Development for Donor file.
10. Annually file IRS form 5227 and form 1041-A.

B. Fund Administration should:

1. Carefully review trust instrument for unusual and specific provisions such as the unitrust or annuity amount, payment dates (e.g. quarterly, etc.) and accounting requirements.
2. Recheck software tax calculations concerning trust.
3. Recheck the cost basis and holding period for each asset transferred to the trust.
4. Add trust information to Fund Administration system.
5. Provide information to Finance Office for the Archdiocesan books and for review.
6. Set up Permanent Trust file.

C. During life of trust, Office of Stewardship and Development should:

1. Set up distribution checks and statements according to controlling documents.
2. Send a thank you letter to income recipient(s) with first payment and Donor(s) (if different) prepared and signed by the Archdiocesan staff member who worked with Donor and opened the gift after the date of the first scheduled contribution date.
3. If payments are made or deposited directly to bank, send letter to income recipient(s) and Donor(s) (if different) at time of first payment, prepared and signed by the Archdiocesan staff member who worked with Donor and opened gift, advising of transaction.
4. Separate for accounting purposes each trust's property from the Archdiocese's own property and property of other trusts. Joint investments with the assets of other trusts and with endowment assets may be allowed, but each trust's interests must be kept separate for accounting purposes, and such commingling may only occur if authorized by each relevant trust document or other governing document.
5. Preserve and protect trust property for the benefit of the Archdiocese and assert reasonable care to make trust property productive.
6. Maintain separate accounts and tax records for each trust account.
7. Accurately allocate Archdiocese's fixed costs and direct costs of each trust in order to avoid "nonqualified additions" to each trust.
8. Monitor trust funds, fair market value of assets and income earned.
9. Prepare and send K-1 or substitute K-1 annually.

D. During life of trust, the Director of Planning Giving or appropriate Archdiocesan representative should:

1. Enclose personal note or letter to income recipient(s) and Donor(s) (if different) at least once per year.

E. Upon death of first income recipient:

1. Finance Office and Office of Stewardship and Development should be notified.
2. Office of Stewardship and Development should obtain a copy of the death certificate.
3. Office of Stewardship and Development should send note of sympathy to loved ones.

F. Upon death of second income recipient:

1. Finance Office and Office of Stewardship and Development should be notified.
2. Office of Stewardship and Development should obtain a copy of the death certificate.
3. Office of Stewardship and Development should send note of sympathy to loved ones.
4. Notify Director of Planned Giving of death.
5. Obtain death certificate, obituary or service bulletin.
6. Take appropriate steps to restructure the gift in accordance with trust.

Policy No. 13

Charitable Lead Trusts

Definition of a Charitable Lead Trust

A Charitable Lead Trust is a trust arrangement under which an annual income is paid to a qualified charitable organization of a specified period of years with the principal of the trust reverting back to the grantor or passing to noncharitable remaindermen upon termination of the trust term. It is a technique to make a temporary gift of income to a charitable institution.

A Charitable Lead Trust is a valuable investment tool for an individual who has little need for the current income an asset is generating but wants to transfer the asset to heirs with reduced tax consequences.

Policies Concerning Charitable Lead Trusts:

A. Charitable Lead Trusts

1. A Charitable Lead Trust is irrevocable. It is very important to explain this fact to the Donor before allowing the Donor to enter into a Charitable Lead Trust.
2. The term of the Charitable Lead Trust must be a fixed term of years or, alternatively and less often, it can be measured by the life or lives of one or more persons living when it is created. The lives by which a Charitable Lead Trust may be measured are limited to the Donor, the Donor's spouse, and individuals who are either a linear ancestor or the spouse of a linear ancestor of all of the non-charitable remainder beneficiaries.
3. The minimum initial gift to fund a Charitable Lead Trust (either a lead unitrust or a lead annuity trust) shall be cash, publicly traded securities or readily marketable real estate with a value of at least \$25,000. Subsequent additions to the lead unitrust may be made at any time subject to the approval of the Archbishop or his designee. No additions are permitted to a lead annuity trust.
4. The percentage to be paid annually by the lead trust to the charitable designee shall be approved by the Archbishop or his designee.
5. The Archdiocese may accept lead trusts of any length or term, whether they be measured by lives or by a term of years.

6. Income payments must be made to the Archdiocese either in the form of a guaranteed annuity interest or a unitrust interest. A unitrust interest is a fixed percentage of the annually revalued trust principal, and results in an annual payout that fluctuates in dollar amount with trust performance.
7. Generally speaking, payments to non-charitable beneficiaries are not allowed during the term of the trust.
8. The trust agreement must contain language forbidding certain kinds of prohibited dealings and activities.

Procedures Concerning Charitable Lead Trusts

The procedures concerning a Charitable Lead Trust are the same as the procedures concerning a Charitable Trust. See Policy No. 12 for procedures.

Policy No. 14

Endowment Funds

Policies Concerning Endowment Funds

- A. In working with prospective Endowment Funds Donors, care will be taken to insure that the person creating the fund fully understands that the fund is irrevocable and understands the process by which payments will be made to programs or departments within the Archdiocese. All prospective Donors will be urged to seek advice of their own legal and/or tax counsel. The relevant Archdiocesan staff member will communicate clearly to the prospective Donor that he or she represents the Archdiocese.
- B. An Archdiocesan staff member will make every effort to meeting personally with the prospective Donor.
- C. All agreements entered into with the Archdiocese must benefit the Archdiocese and in every instance must benefit exclusively charitable, religious or education causes.
- D. The Catholic Community Foundation may accept, subject to discretion of its Board of Trustees, endowment funds and donor advise funds for the benefit of Roman Catholic organizations:
1. That are directly responsible to the Archdiocese of Indianapolis, or
 2. Where a minimum of 51 percent of the current income produced from each endowment fund is distributed annually to organizations directly responsible to the Archdiocese of Indianapolis, and all other income to be distributed is restricted to Catholic organizations, who are not controlled by the Archdiocese but who can demonstrate that:
 - Its mission, through its promotion of Catholic programs, is aligned in outlook with the stated purposes of the Archdiocese of Indianapolis, and the organization can furnish written documentation of the definition of its mission support;
 - It holds separate IRS 501(c)(3) exemption from payment of taxes or written verification of its use of a Roman Catholic Church group exemption;
 - It is willing to furnish advance written notice to the Archbishop of Indianapolis of any proposed change in its ownership, management, or its overall stated purposes to support the Catholic Church mission programs;

- It acknowledges in writing that neither the Catholic Community Foundation nor the Archbishop is responsible for its expenditure of an annual distribution, but that all distributions will be used in a manner consistent with this policy; and
 - It acknowledges that by participating in this fund, the organization does not acquire any rights to influence the policies of the Catholic Community Foundation.
3. Donor must acknowledge that in the event the Catholic Community Foundation receives notice either directly or from the Archbishop of an unacceptable change as describe in paragraph (c) above, or of an incident which appears to deviate from the mission as described in paragraph (a) that the Catholic Community Foundation may transfer with advance notice to the donor, if available, the affected endowment fund to a successor trustee who is qualified to manage the endowment funds in compliance with its restrictions.
 4. Donors establishing donor-advised funds must acknowledge that the fund is subject to this policy and that each annual distribution is subject to approval by the Board of Trustees of the Catholic Community Foundation.
 5. Staff is directed to communicate this policy to all parishes plus the donors to and beneficiaries of all existing endowment funds.
- E. Distribution from endowed funds will be made from net income to specific programs or departments. In the event that a specific program no longer exists, every effort will be made by the Archdiocese to distribute to another program that would most closely comply with the Donor's original wishes and intent with respect to that gift.
 - F. At the time a distribution is to be made, the Catholic Community Foundation in its sole discretion will distribute funds in a manner as consistent with the original purpose of the endowment fund as possible.
 - G. The Archdiocese will provide gift receipts meeting Internal Revenue Service substantiation requirements for Endowment Funds.
 - H. Any school, parish or organization not currently endowed may open an account with \$5,000. Donors wishing to set up additional endowments (e.g. memorial and scholarship endowments) will be encouraged to place their gift in an existing larger, (if it exists) endowment. The name of the memorial fund will be included in the endowment's listing in the in the annual report.
 - I. Limit the number of endowments to only four or five categories for each parish. (e.g. parish, school, scholarship, parish cemetery, total parish education).

- J. The board reserves the right to amend or revoke this statement of policy and adopt other policy rules concerning endowments.
- K. Endowments without any activity within a five - year period will be contacted to:
1. consider inclusion in a larger endowment
 2. obtain marketing assistance.
- L. The Catholic Community Foundation shall assess fees as follows:
- One percent (1%) annually for endowment accounts of less than \$1 million, with a reduced fee for the following amounts beyond \$1 million:
 - 0.7 percent (\$1 million – 2 million)
 - 0.5 percent (\$2 million – 5 million)
 - 0.4 percent (over \$5 million)
 - Rates include 0.35 basis point fee for money managers

Procedures Concerning Endowment Funds

- A. When the Archdiocese enters into an Endowment Fund:
1. Prepare and have Donor sign duplicate originals of the Endowment Fund Agreement. Both originals are returned to the Archdiocese for the signature of the Archbishop or his designee.
 2. Return to Donor(s) a signed original of the Endowment Agreement.
 3. Send Donor(s) gift receipt meeting Internal Revenue Service substantiation requirements.
 4. Prepare and send thank you letter signed by the Archbishop or his designee to the Donor. Copy of letter should be made for the Donor file.
 5. Prepare and send thank you letters to any professionals assisting with the gift. Copy of letter should be made for Donor file.
 6. Provide gift information form to Office of Stewardship and Development for input into the Archdiocesan database.

7. Provide annual Endowment Accountability reports to major endowment Donors.

Policies Concerning Non-Archdiocesan Organizations

- A. The Board of Trustees of the Catholic Community Foundation may invite non-archdiocesan entities within archdiocese boundaries to submit an application to establish an endowment in the foundation.
- B. The non-archdiocesan agency submitting an application to establish an endowment must be listed in and maintain its listing in the current *Official Catholic Directory* (Kenedy Directory). (Contact Teresa Law at (317) 236-1429 or (800) 382-9836, ext. 1429).
- C. The Board of Trustees of the Catholic Community Foundation reserves the right to terminate any endowment established by a non-archdiocesan entity at its discretion and to return the current value of said funds less any cost or fees incurred to date of termination.

Procedures Concerning Non-Archdiocesan Organizations

- A. To support the mission of Catholic entities not owned by the Archdiocese of Indianapolis (Non-Owned Entities) in the overall Catholic community within the Archdiocese of Indianapolis whose goals are consistent with the goals of the Archdiocese and when it is deemed beneficial by the Archdiocese for both Non-Owned Entities and the Catholic Community Foundation to have the investments of the Non-Owned Entity invested by the best qualified, morally responsible investment managers so that the assets are subjected to less risk and at the same time grow at a reasonable rate of return.
- B. The Catholic Community Foundation may accept contributions by a Non-Owned Entity to establish a fund in the Catholic Community Foundation, following review and approval by the Planned Giving Council, Executive Committee, Board and the Archbishop of Indianapolis, provided such approval shall be at their sole discretion.
- C. Funds will be subject to the same rules and fees as all the other funds of the Catholic Community Foundation.

- D. If a Non-Owned Entity's fund does not have a balance (resulting from new contributions and/or investment earnings) of \$25,000 or more as of the fifth anniversary of the establishment of such fund, the balance in such fund will be divided equally among the Non-Owned Entity and the Catholic Community Foundation, provided however, the Catholic Community Foundation will receive not less than a minimum of \$5,000 as its entitlement in any division and said amount shall become part of the Archdiocesan Home Missions Endowment Fund of the Catholic Community Foundation.

Gifts of Life Insurance

Policies Concerning Gifts of Life Insurance

- A. The Archdiocese will accept two types of life insurance gifts:
 - 1. gift of a paid-up insurance policy;
 - 2. gift of a new or existing insurance policy, for which the Donor intends to continue making payments so that the policy does not lapse.
- B. In either case, the Donor must name the Archdiocese as both the owner and the beneficiary of the insurance policy.
- C. The Archdiocese will make payments on a policy if the Donor makes annual gifts at least equivalent to the amount of the premium. The Archdiocese is under no obligation, but may continue to pay the premiums if the Donor does not make an equivalent annual gift.
- D. The Archdiocese never recommends agents or agencies and never endorses insurance programs. Those Donors considering gifts of new insurance are urged to survey the market by reviewing the products of a number of companies.

Procedures Concerning Gifts of Life Insurance

- A. Upon acceptance of a life insurance gift, the Archdiocese will provide an acknowledgement to the Donor meeting Internal Revenue Service substantiation requirements.
- B. A life insurance gift is a non-cash gift and should be reported by the Donor on IRS Form 8283 if the Donor claims a charitable deduction of \$500 or more. Moreover, if the policy's value is \$5,000 or more, in order to obtain the benefit of a charitable deduction, the Internal Revenue Service will require the Donor to (1) complete IS Form 8283, (2) obtain a "qualified appraisal" of the property from a qualified appraiser, (3) attach a fully complete appraisal summary to the tax return in which the deduction is first claims, and (4) maintain records of certain information listed in Treas. Reg. §1.170A-13(b)(2)(ii). These obligations rest upon the Donor and do not affect acceptance of the donated property by Charity. Upon presentation and acceptance of the gift, however, the Archdiocese will sign the Donee Acknowledgement for such gift contained in Form 8283, if requested to do so by the Donor. If the Archdiocese sells, exchanges or otherwise

disposes of any property for which it has signed a Donee Acknowledgement within two years of the date the Archdiocese received the gift, the Archdiocese shall file Form 8282, Donee Information, with the Internal Revenue Service, with a copy to the Donor, disclosing that fact and such other information as the Internal Revenue Service may require.

- C. Follow appropriate Gift Acceptance Policy and Procedures for type of gift the life insurance is funding.
- D. When the Archdiocese is designated as both the owner and the beneficiary, the Archdiocese has the choice of surrendering the policy and receiving any cash value or keeping the policy in force by continuing to make premium payments. Each gift of life insurance will be initially reviewed by the Chief Financial Officer for a case-by-case decision on disposition of the gift. A copy of the policy should be maintained in the Donor's file along with the CFO's recommendation.

Policy No. 16

Retirement Plans / IRA Benefits / Pension Protection Act of 2006

Policies Concerning Retirement Plans / IRA Benefits

- A. The Archdiocese may be named as primary, secondary, partial, or contingent beneficiary of a retirement plan or IRA.
- B. The Archdiocese should ensure that the beneficiary designation form for a retirement plan or IRA payable to the Archdiocese and/or to a charitable trust of which the diocese is a beneficiary is properly worded.
- C. Upon the Donor's death, the Archdiocese will instruct the plan or IRA trustee to make the distribution in cash rather than in-kind.

Pension Protection Act of 2006

The Pension Protection Act ("PPA"), signed into law in August 2006, contains more than 900 pages of changes and refinements to regulations regarding defined benefit plans, defined contribution plans, individual retirement accounts and other issues related to retirement planning. The act is expected to generate thousands of pages of tax code as the IRS begins implementation.

The PPA primarily impacts organizations that qualify for public status as a "supporting organization" under 509(a)(3). Since the Foundation is a public charity, 509(a)(1), these rules do not apply.

The PPA regulations focus primarily on Donor-Advised Funds (see Policy No. 19). Donor-Advised funds are funds that are (1) separately identified by reference to a Donor; (2) is owned and controlled by a 509(a)(3) organization and (3) the Donor has a reasonable expectation of advisory privileges as to how the funds are to be invested or distributed. Congress has been mostly concerned with abuses by supporting organizations that use Donor-Advised Funds to provide direct or incidental support to the Donor.

In respect to Type I or Type II 509(a)(3) organizations, Congress has imposed additional requirements on these organizations in dealing with Donor-Advised Funds:

- a. For tax deductions to be allowed, the Donor must receive at the time of the gift a written statement instructing the Donor that the Foundation has exclusive legal control over the contribution.

- b. No Donor is permitted to recommend a distribution that will result in either direct or indirect benefit to the Donor or a related person or entity of the Donor.
- c. No distributions may be made to a natural person or a person or entity for non-charitable purposes.
- d. The organization is required to file a Form 990 to identify (1) the total number of Donor-Advised funds; (2) the aggregate value of Donor-Advised funds and (3) the aggregate contributions to and grants made from the funds.

Although these rules may not apply to the Catholic Community Foundation as a 509(a)(1) organization, it is prudent for the Foundation to determine whether any endowments meet the definition of Donor-Advised Funds and adopt the following rules to avoid scrutiny from regulators:

- a. Provide the Donor with a written statement instructing the Donor that the Foundation has exclusive legal control over the contribution.
- b. No Donor is permitted to recommend a distribution that will result in either direct or indirect benefit to the Donor or a related person or entity of the Donor.
- c. No distributions may be made to a natural person or a person or entity for non-charitable purposes.
- d. Identify (1) the total number of Donor-Advised funds; (2) the aggregate value of Donor-Advised funds and (3) the aggregate contributions to and grants made from the funds.

If needed, further advice can and should be obtained from a legal and/or financial professional.

Policy No. 17

Bargain Sales

Policies Concerning Bargain Sales

- A. The Archdiocese is authorized to enter into a bargain sale with Donors, to purchase property of an appropriate nature at less than its fair market value. While each proposed bargain sale gift must be considered on an individual basis, it is the policy of the Archdiocese to purchase such property for no more than 50% of its established or appraised value, and the property must have a minimum fair market value of \$25,000 at the time the gift is made. The Archdiocese may expend or commit only its undesignated and unrestricted fund assets for any bargain sale transaction.
- B. Prior to entering into any bargain sale transaction, the policies and procedures concerning real estate gifts in general, as described in Policies G-7 and G-15, shall be followed.

Procedures Concerning Bargain Sales

- A. Upon completion of a bargain sale, the Archdiocese will provide a letter of acknowledgement and appreciation to the Donor meeting Internal Revenue Service substantiation requirements.
- B. In general, when a Donor contributed property (other than publicly traded securities) for which a charitable deduction in excess of \$5,000 is claimed, in order to obtain the benefit of a charitable deduction, the Internal Revenue Service will require the Donor to (1) complete IRS Form 8283, (2) obtain a "qualified appraisal" of the property from a qualified appraiser, (3) attach a fully completed appraisal summary to the tax return in which the deduction is first claimed, and (4) maintain records of certain information listed in Treas. Reg. § 1.170A-13(b)(2)(ii). These obligations rest upon the Donor and do not affect acceptance of the gift. The Archdiocese will sign the Donee presentation and acceptance of the gift. The Archdiocese will sign the Donee Acknowledgement for such gift contained in Form 8283, if requested to do so by the Donor.
- C. If the Archdiocese sells, exchanges or otherwise disposes of any property for which it has signed a Donee Acknowledgement within two years of the date the Archdiocese received the gift, the Archdiocese shall file Form 8282, Donee Information, with the Internal Revenue Service, with a copy to the Donor, disclosing that fact and such other information as the Internal Revenue Service may require.

Policy No. 18

Life Estate Agreements

Policies Concerning Life Estate Agreements

- A. Remainder interest gifts in personal residences will not be accepted without the approval of the Archbishop or his designee.
- B. After appropriate consultation, the Archdiocese may enter into a life estate agreement on a vacation home, farm, ranch, or other real property interest that the Archbishop or his designee deems suitable, beneficial, or advisable for use or investment by the Archdiocese. The minimum fair market value of the property must be \$50,000 at the time of the gift. In general, a life estate agreement should not be entered into for more than two measuring lifetimes.

Procedures Concerning Life Estate Agreements

- A. Prior to acceptance of any life estate agreement entered into with respect to real property, the policies and procedures concerning real estate gifts in general, as described in Policies 9 and 10, shall be followed.
- B. Donors must sign a "Life Estate Agreement" with the Archdiocese that clarifies their responsibilities for property repairs, taxes, insurance, environmental liabilities and other expenses.
- C. Upon acceptance of a life estate agreement, the Archdiocese will provide an acknowledgement to the Donor meeting Internal Revenue Service substantiation requirements.

Policy No. 19

Donor-Advised Funds

Definition of Donor-Advised Funds

A Donor-Advised Fund is similar to an investment account earmarked exclusively for charitable giving that provides the Donor with the opportunity to make grant recommendations to the Archdiocese when it is convenient for the Donor. It is an irrevocable, tax-deductible contribution of personal assets to a charity and at any time thereafter the Donor can recommend grant distributions to qualified charitable organizations.

A Donor-Advised Fund will give the Donor a reduction in income tax if the Donor itemizes whether the donation is in cash or other assets. The Donor also avoids capital gains taxes on long-term appreciated assets if the gift is made before the asset is sold. Also, the Donor can determine when it is best to make distributions from the fund and contributions to the fund and can use that determination to lower current taxes.

In addition to the above mentioned tax reductions, the gifted assets are also removed from the estate of the Donor, so the estate will not be subject to estate tax on those assets.

One reason Donor-Advised Funds are so popular is that the Donor has the ability to benefit the work closest to the Donor's heart during the Donor's lifetime and the gifted assets will continue to grow until they are used.

Unlike establishing a private foundation, a Donor-Advised Fund does not incur any initial startup expense. The form to establish a Donor-Advised Fund (attached hereto) is a simple form and simply requires the Donor to establish the name of the fund and what and how much will be given as the initial gift.

The Donor-Advised Fund is an irrevocable gift that is considered fully deductible on the date it is received by the Archdiocese. There are some limits to how much of the asset is deductible:

- A cash contribution is eligible for a federal income tax deduction of up to 50% of adjusted gross income in the tax year in which the contribution is made. If contributions exceed this limit, the deduction may be carried forward up to five years.
- The deduction for publicly traded securities is the mean value of the high and low prices of the security on the date of contribution. Donors may generally deduct up to 30% of their adjusted gross income for contributions of appreciated securities held more than one year. For securities held for one year or less, the deduction is based on either the Donor's costs basis or fair market value, whichever is lower. If the

contribution exceeds 30% of the adjusted gross income, the deduction may be carried forward up to five years.

- All contributions to the Donor-Advised Funds are separate from the Donor's estate and are not subject to estate or probate taxes.
- Any income to a Donor-Advised Fund resulting from investment growth is exempt from taxes, but is not deductible.
- Assets contributed may appreciate without incurring any capital gains tax liability.

Policies Concerning Donor-Advised Funds

1. The Catholic Community Foundation will offer Donor Advised Funds.
2. The donor who establishes a Donor Advised Fund may advise disbursement of funds to any beneficiary which is a legal 501(c)3 entity whose purpose is not inconsistent with the mission and teachings of the Roman Catholic Church regarding faith and morals, as proclaimed by the Church's official teaching authority (Magisterium) and as set forth by the Archbishop of Indianapolis and the Board of Trustees of the Catholic Community Foundation and as long as the funds disbursed will not be directed to support anything inconsistent with the mission and teachings of the Roman Catholic Church as stated above. Advised disbursement of funds to agencies outside the Roman Catholic Church must be for specific programs. See *Exhibit B*.
3. Upon request, the Catholic Community Foundation may permit the donor's children to serve as advisors to the fund upon the donor's death, such advice to be consistent with requirements set forth above.
4. If a successor advisor is not selected, the donor shall determine how the final distribution upon death or incapacity of the donor will be designated (for example, designated for an existing endowment or used to establish a new endowment fund). Funds not specifically covered by recommendation by the donor will be distributed to the Archbishop's Endowment Fund and/or the Archdiocesan Home Missions Endowment Fund.
5. The Catholic Community Foundation reserves the right to charge Donor Advised Funds an administrative charge.

Procedures Concerning Donor-Advised Funds

There is a form attached in the index to be used for the establishment of any Donor-Advised Funds. This document will walk the planner and the Donor through the necessary questions.

1. Each fund shall be recorded separately and shall be given a name or any other designation by the Donor(s).

2. The minimum amount required to create a new Donor-Advised Fund is cash or assets of no less than five thousand dollars (\$5,000).
3. Should assets to be contributed to a Donor-Advised Fund be subject to liabilities, or not readily marketable in certain instances, acceptance will be referred to the Gift Acceptance Committee of the Foundation.
4. All Donor-Advised Funds shall be invested and the earnings credited on a pro rata basis to each fund.
5. All recommendations for the distribution from Donors shall be referred to the Executive Committee. This committee will consider all recommendations from Donors that do not meet the "List of Charitable Needs" (see *Exhibit B*) established by the Catholic Community Foundation.
6. Donor(s) of each Donor-Advised Fund shall have the privilege of making recommendations for distribution and may make such recommendations from their fund's corpus and earnings.
7. Upon request, the Catholic Community Foundation may permit the donor's children to serve as advisors to the fund upon the donor's death, such advice to be consistent with requirements set forth above.
8. The privilege of making recommendations from a Donor-Advised Fund is limited to the Donor Advisors set out in the initial fund agreement. Recommendations may be made separately or jointly.
9. The establishment of corporate Donor-Advised Funds is provided for, and the Corporation shall have recommendation privileges not to exceed fifteen (15) years.
10. The List of Charitable Needs, *Exhibit B*, is the guideline under which recommendations for distributions will be accepted.
11. The minimum amount of any one distribution from any one Donor-Advised Fund shall be one thousand dollars (\$1000) or the amount of the distribution subject to Donor advice, whichever amount is less.
12. The Foundation is restricted in making distributions from Donor-Advised Funds unless it is to an organization(s) as described in the various sections of the Internal Revenue Code and is listed as a public charitable organization, a 501(c)(3) organization.
13. No distribution may be made to discharge or satisfy a legally enforceable pledge, membership dues or any legal obligation of any person, including the Donor of

any Donor-Advised Fund. Further, a Donor, or any person related to the Donor may not be entitled to attend an event or receive goods or services either directly or indirectly from the recommended distribution. Example: A Donor may not make a recommendation for the distribution from his/her fund to pay for tickets or seats/tables for charity benefits, etc.

14. All recommendations must be in writing.
15. The donee organization shall be notified as to the source of distribution. (This will automatically be done unless the Donor wishes to make an anonymous recommendation.)
16. Recommendations may be sent to the Foundation at any time, and there will be no restriction as to the number of recommendations by any one Donor(s). However, for administration and bookkeeping purposes, distributions will be done annually.
17. Earnings from Donor-Advised Funds shall be credited to each Donor-Advised Fund on a pro rata basis.
18. Upon the death or incapacity of the last person privileged to make recommendations from a Donor-Advised Fund, the signatories to the original agreement may recommend that a designated percent of the remaining principal and income be distributed to a qualified charitable organizations identified herein.
19. However, the fund's name shall be maintained on the books of the Foundation in perpetuity as a living memorial to the Donor(s).
20. An administrative fee will be charged to each Donor Advised Fund on a quarterly basis on the following schedule:

\$0 - \$999,999.99	1%
\$1,000,000.00 - \$1,999,999.99	0.7%
\$2,000,000.00 - \$4,999,999.99	0.5%
\$5,000,000.00 and over	0.4%

Rates include 0.35 basis point fee for money managers.

21. When real estate and other non-marketable assets are initially transferred to the Foundation for inclusion in the Fund, a transaction fee of not more than 1% of the value of the real estate or other asset, as determined by appraisal, shall be due and may be charged against the Fund balance. Additionally, investment management fees, professional fees and any other out-of-pocket costs incurred by the Foundation in establishing or administering this Fund may be charged against Fund's balance.

The administrative charge will be applied to the assets of a Donor-Advised Fund based on the market value of its assets, except that with respect to non-liquid assets (e.g. real estate), the market value will be presumed to be the appraised value of that asset when received by the Foundation, unless reappraised thereafter. Upon the request of the Donor or any Advisor of the Foundation, a reappraisal will be obtained.

Policy No. 20

Environmental Assessments

Policies Concerning Environmental Assessments

- A. The following policies apply to all gifts and proposed gifts relating to or subject to real property.
- B. No real property may be accepted for ownership or control until compliance with the following policies and the procedures have been achieved. See Exhibit A for initial questions regarding environmental issues.
- C. The policy of the Archdiocese is to minimize and, when possible, avoid environmental liability arising from the ownership or control of real property, mineral interests, or other real property or mineral interests (hereinafter referred to collectively as "real property") by taking actions that are reasonably appropriate to determine the extent of any environmental contamination before accepting ownership or control of the real property. At a minimum, a Phase One environmental study will be done on any gift of real property to the Archdiocese. Residential real estate is the only possible exclusion.
- D. Gifts of real property are generally acceptable only after a determination that no reasonable possibility exists that any environmentally related liability to the Archdiocese could arise out of, or from, any activity or condition on, in, under, or of the real property. The actions to be taken in making this determination include inspections and environmental assessments, as appropriate, of the real property. The inspections and environmental assessments will be tailored to meet the specific characteristics of the real property.
- E. Notwithstanding the provisions of Paragraph D immediately above, a gift of real property may be accepted even if a reasonable possibility exists that environmentally-related liability to the Archdiocese could arise out of, or from any activity or condition on, in, under, or of the real property if the Director of Management Services determines that the exposure can clearly be contained and the cost of remediation is reasonable.
- F. Even if a proposed gift of real property satisfies the Archdiocesan environmental assessment policies and procedures, the Archbishop or his designee has final authority whether to accept or reject a proposed gift of real property. No real property may be accepted for ownership or control until the acceptance is agreed to and approved by the Archbishop or his designee.

Procedures Concerning Environmental Assessments

The following procedures have been developed to assist staff members of the Archdiocese in assessing the potential environmental liabilities of real property being offered to the Archdiocese in order to recommend to the Archbishop or his designee whether to accept or reject the proposed gift of real property, and to minimize and, when possible, avoid liabilities on real property owned by, or under the control of, the Archdiocese:

- A. An initial personal inspection of the real property shall be made by an appropriate staff member from the Office of Management Services. This inspection shall include both a physical inspection and an investigation of the ownership history and past and present uses of the property. A staff member must complete an Inspection Checklist on each proposed new asset. Persons who provide the information for the Inspection Checklist are not considered and are not intended to be environmental experts. Instead, they are fact finders and the information is intended to enable the Archdiocese to make more informed decisions.
- B. When a contemplated transaction involves a transfer of real property to the Archdiocese, the Donor must complete an Environmental Questionnaire.
- C. The Inspection Checklist and Environmental Questionnaire will not be all inclusive of every circumstance that may arise. Staff members should identify any situation that would appear to fall outside the scope of the checklist and questionnaire.
- D. The staff member dealing with the Donor or the Donor's representative(s) will be responsible for ensuring that the Inspection Checklist and Environmental Questionnaire are completed in a timely manner.
- E. The Director of Management Services should evaluate the completed Inspection Checklist and Environmental Questionnaire.
- F. While the known presence of hazardous materials or other substances on the real property may, alone, determine that the Archdiocese will not accept a property, the apparent absence of hazardous materials or other substance will not, alone, be sufficient reason for accepting the real property.
- G. If, after inspection of the real property, the staff member determines that the real property is contaminated by hazardous materials or other substances, or there is a substantial likelihood that the real property is contaminated by hazardous materials or other substances, the real property generally should not be accepted unless no reasonable possibility exists that any environmentally-related liability to the Archdiocese could arise out of, or from, the actual or potential contamination. Notwithstanding the foregoing, a gift of real property may be accepted even if a reasonable possibility exists that environmentally-related liability to the

Archdiocese could arise out of, or from, any activity or condition on, in, under, or of the real property if the Director of Management Services can determine that the exposure can clearly be contained and the cost of remediation is reasonable.

- H. After completion of the Inspection Checklist and Environmental Questionnaire, but before the Archdiocese may take ownership or control of any real property, an inspection and assessment of the real property, including an appropriate inquiry into the previous ownership and uses of the real property consistent with good commercial or customary practice, must be made by a licensed, independent environmental professional. The inspection and assessment must, at a minimum, meet the American Society for Testing and Materials ("ASTM") standards for such assessments. The expense of the inspection and assessment by the environmental professional must be borne by the Donor unless an exception is approved by the Archbishop or his designee for amounts less than \$10,000 and duly with the Finance Council for amounts in excess of \$10,000. After review of the Inspection Checklist, Environmental Questionnaire, and the inspection and assessment conducted by the environmental professional, the Director of Management Services will determine whether to order additional inspections, assessments, subsurface investigations and/or analytical tests by licensed, independent environmental professionals.
- I. Based on available information, including the questionnaires, inspections, assessments, subsurface investigations and/or analytical tests, the Director of Management Services shall decide whether to order a title review for the real property; however, an appropriate title review for the real property is recommended. Any title review conducted shall include an evaluation of whether any environmental liens exist on the real property.
- J. Insurance policies pertaining to the real property shall be obtained and reviewed by the Director of Risk Management.
- K. Copies of all information, including questionnaires, inspections, assessments, subsurface investigations and/or analytical tests, concerning real property not accepted will be retained by the Archdiocese for four (4) years from the date of refusal.
- L. Copies of all information, including questionnaires, inspections, assessments, subsurface investigations and/or analytical tests, concerning real property accepted by the Archdiocese will become part of the permanent record of the gift and will be filed with the legal documents of the Archdiocese.
- M. The Donor will be encouraged to pay all expenses associated with these Environmental Assessment Procedures; otherwise, such costs will be charged to the asset or to the Archdiocese, at the discretion of the Archbishop or his designee.

- N. The Archdiocese will prepare or authorize the preparation of an appropriate environmental Inspection Checklist and Environmental Questionnaire to be used in the performance of these Environmental Assessment Procedures. The Director of Management Services shall approve the Inspection Checklist and Environmental Questionnaire before use.

Policy No. 21

Donor's Professional Counsel

Policies Concerning Professional Counsel

- A. Recognizing the array of professional expertise required in planning a charitable gift and avoiding even the appearance of a conflict of interest, Archdiocesan staff members will always encourage Donors to seek their own professional counsel.

- B. The Archdiocese may sometimes provide gift-planning information that addresses the needs of the Donor and assists the Donor's professional advisors. That information may include sample documents and financial projections for specific gift options. To protect the Archdiocese from potential claims that a gift was incompetently presented and/or solicited with undue influence and because the Archdiocesan representatives do not represent the Donor, the Donor will be encouraged, in writing, to finalize documents and review all projections with his or her own advisors to ensure that the Donor is receiving proper income tax, gift and/or estate planning advice. In all cases, Archdiocesan representatives will emphasize that they are employees of the Church, and that they do not represent the Donor.

Policy No. 22

Authority to Staff

Policies Concerning Staff Authority

- A. Archdiocesan staff has the authority to accept gifts within the guidelines of these policies. In that regard, the Executive Director of Stewardship and Development and Chief Financial Officer, or their designees, will carefully review all gifts before receipt and presentation to the Archbishop or his designee. The Archbishop or his designee may designate an appropriate staff member to make the decisions in his absence with regard to these policies.
- B. These policies should be read as a whole and all applicable sections followed.
- C. Archdiocesan staff and committee members shall not benefit personally from fees related to gifts received, and the Archdiocese shall not pay finder's fees to any other person. Archdiocesan staff and committee members shall not participate in any activity which could be deemed a conflict of interest. Additionally, Archdiocesan staff will abide by the following Model Standards of Practice for the Charitable Gift Planner adopted by the National Committee on Planned Giving and the American Council on Gift Annuities.

Policy No. 23

Model Standards of Practice for the Charitable Gift Planner

MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER

PREAMBLE

The purpose of this statement is to encourage responsible charitable gift planning by urging the adoption of the following Standards of Practice by all who work in the charitable gift planning process, including charitable religious organizations and their gift planning officers, independent fund-raising consultants, attorneys, accountants, financial planners and life insurance agents, collectively referred to hereafter as "Gift Planners."

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial and tax considerations, and as such often involve professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the Donor and the purposes of the charitable religious organization.

Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the Donor to support the work of the charitable religious organization, in this case, The Roman Catholic Archdiocese of Indianapolis and its mission.

Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

Full Disclosure

It is essential to the gift planning process that the role and relationship of all parties involved, including how and by whom each is compensated, be fully disclosed to the Donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the Archdiocese, and shall not, while employed by the Archdiocese, act or purport to act as a representative of the Donor, without the express consent of both the Archdiocese and the Donor.

Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payments of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain federal and state regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable religious organization is never appropriate.

Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise Donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise and, as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

Consultation with Independent Advisors

A Gift Planner acting on behalf of the Archdiocese shall in all cases strongly encourage the Donor to discuss the proposed gift with competent independent legal and tax advisors of the Donor's choice.

Consultation with Charities

Although Gift Planners frequently and properly counsel Donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to ensure that the gift will accomplish the Donor's objectives, should encourage the Donor, early in the gift planning process, to discuss the proposed gift with a representative of the Archdiocese. In cases where the Donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed Donor, to obtain the Archdiocese's input in the gift planning process.

Explanation of Gift

The Gift Planner shall make every effort, insofar as possible, to ensure that the Donor receives a full and accurate explanation of all aspects of the proposed charitable gift.

Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

Public Trust

Gift Planners shall, in all dealings with Donors, charitable religious organizations, and other professionals, act with fairness, honesty, integrity, and openness. Except for compensation received for services, the terms of which have been disclosed to the Donor, they shall have no vested interest that could result in personal gain.

Policy No. 24

Naming of Buildings and Other Entities

Policies for Naming of Buildings and Other Entities

The Archdiocese has a limited number of buildings and other entities which can be named for individuals or groups based on donations. Final word on whether a building and/or other entity should be named for an individual rests with the Archbishop or his designee.

This policy does not refer to instances when a building and/or other entity is named for an individual or group based on their service to the Archdiocese. The Archbishop or his designee can honor individuals based on service at their discretion.

Typically, a building or other entity will not be named for an individual unless a donation is made either by that individual or in that individual's name which is equal to 50% of the approved private gift fund-raising goal for the facility or between one-third and one-half of the cost of the new facility.

The Archbishop or his designee reserve the right to recognize the namesake of any existing facility in a manner deemed appropriate.

The Archbishop or his designee may make a decision regarding whether the name of a building and/or other entity should be changed at any time when circumstances warrant such a change. If the name of a building is changed to honor another individual or group, the previous name should also be honored somewhere on the property in a suitable way. An example would be placing a permanent commemorative plaque recognizing the previous name of the facility in a prominent place in the new facility or on the grounds of the new facility.

There should be no promise made that the name of a new facility will be retained beyond the useful life of the new facility.

Policy No. 25

Amendments to Policies and Procedures Manual

- A. Exceptions to these policies and guidelines will require approval by the Archbishop or his designee, Catholic Community Foundation Planned Giving Committee, Catholic Community Foundation Executive Committee, Catholic Community Foundation Board and/or the Finance Council.
- B. The policies will be subject to review and change from time to time and may be amended by a recommendation of the Catholic Community Foundation Planned Giving Committee to the Catholic Community Foundation Executive Committee and Board, which will either approve the recommendation, reject the recommendation or return the recommendation for more study.
- C. At the Board level, a quorum of three-quarters of the members must be present for a vote to be taken. An amendment must receive a majority of the votes or at least one vote more than half of the members present.

EXHIBIT A

Real Estate Survey (this document contains six pages)

I. Ownership (full names and addresses of all owners; please use back of page if necessary)

Name: _____

Address: _____

Telephone: Home: () _____

Work: () _____

E-mail: _____

Type of Ownership: _____ Sole Ownership

_____ Joint Tenancy

_____ General Partnership

_____ Limited Partnership

_____ Corporate Ownership

_____ Owned by Trust

II. Location of Property

Street: _____

City: _____

County: _____

State: _____

Country: _____

Zip Code: _____

III. Financial and Title Information

How did you acquire the property (circle one): Purchased / Inherited / Gift

Date you acquired the property: _____

Purchase price (if applicable): _____

Is the property mortgaged: _____ Amount of unpaid mortgage: _____

Any liens or encumbrances? If so, please describe:

Any pending litigation with this property? If so, please describe:

Do you have a recent appraisal: _____ Appraisal date: _____

Appraised (or approximate) value of property: _____

Amount of annual taxes: _____ Date(s) due: _____

Land area (acres or sq. ft.): _____ Buildings (sq. ft.) _____

Do you have title insurance: _____ Company: _____

Policy Number: _____ Please provide a copy of the policy

Zoning: _____

IV. Buildings

Please check **YES** or **NO** as to the condition of the building(s). **YES** means *you are aware* of any problems in the last five (5) years; **NO** means *you are not aware* of any problems in the last five (5) years. Please indicate if/when any problems have been addressed.

	YES	NO	DATE REPAIRED
A. Foundation/slab	_____	_____	_____
B. Basement:			
Water	_____	_____	_____
Dampness	_____	_____	_____
Sump pump	_____	_____	_____
C. Roof leaks	_____	_____	_____
D. Furnace	_____	_____	_____
E. Electrical	_____	_____	_____
F. Plumbing	_____	_____	_____
G. Asbestos	_____	_____	_____
H. Termites	_____	_____	_____
I. General structure	_____	_____	_____

V. Environmental

A. History of Property

1. Does the property have PRIOR or CURRENT use for industrial, commercial, agricultural, manufacturing, waste disposal, or any other non-residential purposes? YES _____ NO _____

B. Condition of Property

	YES	NO
1. Discoloration, oil sheens, foul/unusual odor in water	_____	_____
2. Storage Drums	_____	_____
3. Above or underground storage tanks; vent/filler pipes	_____	_____
4. Evidence of oil or other chemicals in the soil	_____	_____
5. Evidence of PCBs	_____	_____
6. Evidence of toxic air emissions	_____	_____
7. Flood plain/wetlands/drainage	_____	_____
8. Endangered plants or wildlife	_____	_____

C. Adjacent properties

1. Properties adjacent or close to your property have conditions requiring a **YES** answer to any questions in (A) or (B) above: _____

If yes, please indicate which letters or numbers from above: _____

VI. General Evaluation

Are you aware of any other information concerning any part of the land or building(s) which might affect the decision of a buyer to buy, affect the value of the property or affect the use of the property by the buyer?

If yes, please explain: _____

VII. Rental or Leased Property Information

A. Income

- 1. Monthly rent/lease payment: _____
- (a) Due date: _____ (b) Lease dates: _____
- 2. Other income from property (specify type and amount)

B. Expenses

- 1. Utilities (average monthly amount)
 - Electric _____
 - Gas/Oil _____
 - Water/Sewer _____
 - Garbage _____
- 2. Costs of Services
 - a. Caretaker / property manager _____
 - b. Landscaping / Grounds maintenance _____
 - c. Common area charge (condominium) _____
 - d. Heating / cooling contract _____
 - e. Snow removal _____
 - f. Security _____
 - g. Swimming pool service _____
 - h. Other: _____
- 3. Maintenance / repairs _____
- 4. Insurance _____

VII. Acknowledgments

I/we hereby acknowledge that the above information is true and accurate to the best of my/our knowledge.

Owner _____

Date: _____

Owner _____

Date: _____

EXHIBIT B

ORGANIZATIONS QUALIFIED TO RECEIVE DISTRIBUTIONS FROM CATHOLIC COMMUNITY FOUNDATION, INC. ENDOWMENT & DONOR ADVISED FUNDS

The Catholic Community Foundation may accept, subject to discretion of its Board of Trustees, endowment and donor advised funds for the benefit of Roman Catholic organizations;

1. That are directly responsible to the Archdiocese of Indianapolis, or
2. Where a minimum of 51% of the current income produced from or an amount representing the balance of the fund is distributed to organizations directly responsible to the Archdiocese of Indianapolis, and
3. All other income to be distributed is restricted to Catholic organizations recognized in *The Official Catholic Directory*.

EXHIBIT C

Bequest Gift Process Checklist

1. Start and maintain a bequest file and checklist posted inside the file with date each task accomplished.
2. Add the name of the individual to the comprehensive list of bequest donors.
3. Notify and keep the Archbishop or his designee and the Finance Office informed of file activity.
4. Have the Director of Planned Giving write a note of appreciation to the attorney, trust officer, executor and requests contact information for surviving heirs.
5. Send a note of sympathy and appreciation to surviving heirs.
6. After the will has been admitted into probate, request a copy of the will and compare with the will on file (when available) and/or the copy of the will provided by the attorney.
7. If administration of the estate is going to be lengthy, request one or more partial distributions, seeking the Church's share of the interest earned. Partial distributions may take several months. When speaking with the attorney, ask how long it will take – what is the anticipated timeframe?
8. If the archdiocese is to receive a percentage or residue from the estate, request a copy of the estate inventory, which is ordinarily available 90 days after the will is admitted to probate. Also, request the federal estate tax return, if any, and a final accounting.
9. Documents such as releases, waivers, and final accountings requiring the signature of an archdiocesan representative should be reviewed by the archdiocesan counsel and executed by the archdiocesan CFO.
10. Upon completion of the probate process, provide all documents to the Finance Office for handling of fund set-up and management. Original documents will be maintained by the Office of Stewardship and Development.

EXHIBIT E
**Request for Taxpayer
Identification Number and Certification**

Give Form to the requester. Do not send to the IRS.

Print or type See Specific instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶	<input type="checkbox"/> Exempt payee
	<input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number										
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Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity, and
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-9.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$800 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3678).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ³ The actual owner ⁴
5. Sole proprietorship or disregarded entity owned by an individual	The owner ⁵
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor ⁶
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(ii)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

⁵ **Note.** Grantor also must provide a Form W-9 to trustee of trust.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Exhibit F

Form **8283**
(Rev. December 2006)
Department of the Treasury
Internal Revenue Service

Noncash Charitable Contributions

▶ Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.

▶ See separate instructions.

Name(s) shown on your income tax return

Note. Figure the amount of your contribution deduction before completing this form. See your tax return.

Section A. Donated Property of \$5,000 or Less and Certain Publicly Traded Securities—items (or groups of similar items) for which you claimed a deduction of \$5,000 publicly traded securities even if the deduction is more than \$5,000 (see instructions).

Part I Information on Donated Property—If you need more space, attach a statement

1	(a) Name and address of the donee organization	(b) Description of donee (For a donated vehicle, enter the year, make and attach Form 1098-)
A		
B		
C		
D		
E		

Note. If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value (see instructions)	(h)
A						
B						
C						
D						
E						

Part II Partial Interests and Restricted Use Property—Complete lines 2a through 2e entire interest in a property listed in Part I. Complete lines 3a through 3c if contribution listed in Part I; also attach the required statement (see instructions).

2a Enter the letter from Part I that identifies the property for which you gave less than an entire interest. If Part II applies to more than one property, attach a separate statement.

b Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year (2) For any prior tax years

c Name and address of each organization to which any such contribution was made in a prior year from the donee organization above):

Name of charitable organization (donee)

Address (number, street, and room or suite no.)

City or town, state, and ZIP code

d For tangible property, enter the place where the property is located or kept ▶ _____

e Name of any person, other than the donee organization, having actual possession of the property

3a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of property?

b Did you give to anyone (other than the donee organization or another organization participating with organization in cooperative fundraising) the right to the income from the donated property or to the the property, including the right to vote donated securities, to acquire the property by purchase or to designate the person having such income, possession, or right to acquire?

c Is there a restriction limiting the donated property for a particular use?

Name(s) shown on your income tax return	Identifying number
---	--------------------

Section B. Donated Property Over \$5,000 (Except Certain Publicly Traded Securities)—List in this section only items (or groups of similar items) for which you claimed a deduction of more than \$5,000 per item or group (except contributions of certain publicly traded securities reported in Section A). An appraisal is generally required for property listed in Section B (see instructions).

Part I Information on Donated Property—To be completed by the taxpayer and/or the appraiser.

4 Check the box that describes the type of property donated:

<input type="checkbox"/> Art* (contribution of \$20,000 or more)	<input type="checkbox"/> Qualified Conservation Contribution	<input type="checkbox"/> Equipment
<input type="checkbox"/> Art* (contribution of less than \$20,000)	<input type="checkbox"/> Other Real Estate	<input type="checkbox"/> Securities
<input type="checkbox"/> Collectibles**	<input type="checkbox"/> Intellectual Property	<input type="checkbox"/> Other

*Art includes paintings, sculptures, watercolors, prints, drawings, ceramics, antiques, decorative arts, textiles, carpets, silver, rare manuscripts, historical memorabilia, and other similar objects.

**Collectibles include coins, stamps, books, gems, jewelry, sports memorabilia, dolls, etc., but not art as defined above.

Note. In certain cases, you must attach a qualified appraisal of the property. See instructions.

5	(a) Description of donated property (if you need more space, attach a separate statement)	(b) If tangible property was donated, give a brief summary of the overall physical condition of the property at the time of the gift	(c) Appraised fair market value
A			
B			
C			
D			

6	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) For bargain sales, enter amount received	See Instructions	
					(h) Amount claimed as a deduction	(i) Average trading price of securities
A						
B						
C						
D						

Part II Taxpayer (Donor) Statement—List each item included in Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Part I and describe the specific item. See instructions. ▶

Signature of taxpayer (donor) ▶ _____ Date ▶ _____

Part III Declaration of Appraiser

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I hold myself out to the public as an appraiser or perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this Form 8283 may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). In addition, I understand that a substantial or gross valuation misstatement resulting from the appraisal of the value of the property that I know, or reasonably should know, would be used in connection with a return or claim for refund, may subject me to the penalty under section 6695A. I affirm that I have not been barred from presenting evidence or testimony by the Office of Professional Responsibility.

Sign Here Signature ▶ _____ Title ▶ _____ Date ▶ _____

Business address (including room or suite no.)	Identifying number
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City or town, state, and ZIP code

Part IV Donee Acknowledgment—To be completed by the charitable organization.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date ▶ _____

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 3 years after the date of receipt, it will file Form 8282, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? ▶ Yes No

Name of charitable organization (donee)	Employer identification number
Address (number, street, and room or suite no.)	City or town, state, and ZIP code
Authorized signature	Title Date

EXHIBIT G

Form **8282**
 (Rev. April 2009)
 Department of the Treasury
 Internal Revenue Service

Donee Information Return
 (Sale, Exchange, or Other Disposition of Donated Property)

OMB No. 1545-0008

▶ See Instructions.

Give a Copy to Donor

Parts To Complete

- If the organization is an **original donee**, complete *Identifying Information*, Part I (lines 1a-1d and, if applicable, lines 2a-2d), and Part III.
- If the organization is a **successor donee**, complete *Identifying Information*, Part I, Part II, and Part III.

Identifying Information

Print or Type	Name of charitable organization (donee)	Employer identification number
	Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
	City or town, state, and ZIP code	

Part I Information on ORIGINAL DONOR and SUCCESSOR DONEE Receiving the Property

1a Name of original donor of the property	1b Identifying number(s)
1c Address (number, street, and room or suite no.) (P.O. box no. if mail is not delivered to the street address)	
1d City or town, state, and ZIP code	

Note. Complete lines 2a-2d only if the organization gave this property to another charitable organization (successor donee).

2a Name of charitable organization	2b Employer identification number
2c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
2d City or town, state, and ZIP code	

Part II Information on PREVIOUS DONEES. Complete this part only if the organization was not the first donee to receive the property. See the instructions before completing lines 3a through 4d.

3a Name of original donee	3b Employer identification number
3c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
3d City or town, state, and ZIP code	
4a Name of preceding donee	4b Employer identification number
4c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
4d City or town, state, and ZIP code	

For Paperwork Reduction Act Notice, see page 4.

Cat. No. 62307Y

Form **8282** (Rev. 4-2009)

Part III Information on DONATED PROPERTY

	1. Description of the donated property sold, exchanged, or otherwise disposed of and how the organization used the property. (If you need more space, attach a separate statement.)	2. Did the disposition involve the organization's entire interest in the property?		3. Was the use related to the organization's exempt purpose or function?		4. Information on use of property. ● If you answered "Yes" to question 3 and the property was tangible personal property, describe how the organization's use of the property furthered its exempt purpose or function. Also complete Part IV below. ● If you answered "No" to question 3 and the property was tangible personal property, describe the organization's intended use (if any) at the time of the contribution. Also complete Part IV below, if the intended use at the time of the contribution was related to the organization's exempt purpose or function and it became impossible or infeasible to implement.
		Yes	No	Yes	No	
A						
B						
C						
D						

		Donated Property			
		A	B	C	D
5	Date the organization received the donated property (MM/DD/YY)	/ /	/ /	/ /	/ /
6	Date the original donee received the property (MM/DD/YY)	/ /	/ /	/ /	/ /
7	Date the property was sold, exchanged, or otherwise disposed of (MM/DD/YY)	/ /	/ /	/ /	/ /
8	Amount received upon disposition	\$	\$	\$	\$

Part IV Certification

You must sign the certification below if any property described in Part III above is tangible personal property and:

- You answered "Yes" to question 3 above, or
- You answered "No" to question 3 above and the intended use of the property became impossible or infeasible to implement.

Under penalties of perjury and the penalty under section 6720B, I certify that either: (1) the use of the property that meets the above requirements, and is described above in Part III, was substantial and related to the donee organization's exempt purpose or function; or (2) the donee organization intended to use the property for its exempt purpose or function, but the intended use has become impossible or infeasible to implement.

Signature of officer _____ Title _____ Date _____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here Signature of officer _____ Title _____ Date _____

Type or print name _____

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Donee organizations use Form 8282 to report information to the IRS and donors about dispositions of certain charitable deduction property made within 3 years after the donor contributed the property.

Definitions



For Form 8282 and these Instructions, the term "donee" includes all donees, unless specific reference is made to "original" or "successor" donees.

Original donee. The first donee to or for which the donor gave the property. The original donee is required to sign Form 8283, Noncash Charitable Contributions, Section B, Donated Property Over \$5,000 (Except Certain Publicly Traded Securities), presented by the donor for charitable deduction property.

Successor donee. Any donee of property other than the original donee.

Charitable deduction property. Any donated property (other than money and publicly traded securities) if the claimed value exceeds \$5,000 per item or group of similar items donated by the donor to one or more donee organizations. This is the property listed in Section B on Form 8283.

Who Must File

Original and successor donee organizations must file Form 8282 if they sell, exchange, consume, or otherwise dispose of (with or without consideration) charitable deduction property (or any portion) within 3 years after the date the original donee received the property. See *Charitable deduction property* above.

If the organization sold, exchanged, or otherwise disposed of motor vehicles, airplanes, or boats, see Pub. 526, Charitable Contributions.

Exceptions. There are two situations where Form 8282 does not have to be filed.

1. Items valued at \$500 or less. The organization does not have to file Form 8282 if, at the time the original donee signed Section B of Form 8283, the donor had signed a statement on Form 8283 that the appraised value of the specific item was not more than \$500. If Form 8283 contains more than one item, this exception applies only to those items that are clearly identified as having a value of \$500 or less. However, for purposes of the donor's determination of whether the appraised value of the item exceeds \$500, all shares of nonpublicly traded stock, or items that form a set, are considered one item. For example, a collection of books written by the same

author, components of a stereo system, or six place settings of a pattern of silverware are considered one item.

2. Items consumed or distributed for charitable purpose. The organization does not have to file Form 8282 if an item is consumed or distributed, without consideration, in fulfilling your purpose or function as a tax-exempt organization. For example, no reporting is required for medical supplies consumed or distributed by a tax-exempt relief organization in aiding disaster victims.

When To File

If the organization disposes of charitable deduction property within 3 years of the date the original donee received it and the organization does not meet exception 1 or 2 above, the organization must file Form 8282 within 125 days after the date of disposition.

Exception. If the organization did not file because it had no reason to believe the substantiation requirements applied to the donor, but the organization later becomes aware that the substantiation requirements did apply, the organization must file Form 8282 within 60 days after the date it becomes aware it was liable. For example, this exception would apply where Section B of Form 8283 is furnished to a successor donee after the date that donee disposes of the charitable deduction property.

Missing information. If Form 8282 is filed by the due date, enter the organization's name, address, and employer identification number (EIN) and complete at least Part III, columns 1, 2, 3, and 4; and Part IV. The organization does not have to complete the remaining items if the information is not available. For example, the organization may not have the information necessary to complete all entries if the donor did not make Section B of Form 8283 available.

Where To File

Send Form 8282 to the Department of Treasury, Internal Revenue Service Center, Ogden, UT 84201-0027.

Other Requirements

Information the organization must give a successor donee. If the property is transferred to another charitable organization within the 3-year period discussed earlier, the organization must give the successor donee all of the following information.

1. The name, address, and EIN of the organization.
2. A copy of Section B of Form 8283 that the organization received from the donor or a preceding donee. The preceding donee is the one who gave the organization the property.
3. A copy of this Form 8282, within 15 days after the organization files it.

The organization must furnish items 1 and 2 above within 15 days after the latest of the date:

- The organization transferred the property,
- The original donee signed Section B of Form 8283, or
- The organization received a copy of Section B of Form 8283 from the preceding donee if the organization is also a successor donee.

Information the successor donee must give the organization. The successor donee organization to whom the organization transferred this property is required to give the organization its name, address, and EIN within 15 days after the later of:

- The date the organization transferred the property, or
- The date the successor donee received a copy of Section B of Form 8283.

Information the organization must give the donor. The organization must give a copy of Form 8282 to the original donor of the property.

Recordkeeping. The organization must keep a copy of Section B of Form 8283 in its records.

Penalties

Failure to file penalty. The organization may be subject to a penalty if it fails to file this form by the due date, fails to include all of the information required to be shown on the filed form, or includes incorrect information on the filed form. The penalty is generally \$50 per form. For more details, see section 6721 and 6724.

Fraudulent identification of exempt use property. A \$10,000 penalty may apply to any person who identifies in Part III tangible personal property the organization sold, exchanged, or otherwise disposed of, as having a use that is related to a purpose or function knowing that such property was not intended for such a use. For more details, see section 6720B.

Specific Instructions

Part I

Line 1a. Enter the name of the original donor.

Line 1b. The donor's identifying number may be either an employer identification number or a social security number, and should be the same number provided on page 2 of Form 8283.

Line 1c and 1d. Enter the last known address of the original donor.

Lines 2a-2d. Complete these lines if the organization gave the property to another charitable organization successor donee (defined earlier). If the organization is an original donee, skip Part II and go to Part III.

Part II

Complete Part II only if the organization is a successor donee. If the organization is the original donee, do not complete any lines in Part II; go directly to Part III.

If the organization is the **second donee**, complete lines 3a through 3d. If the organization is the **third or later donee**, complete lines 3a through 4d. On lines 4a through 4d, give information on the preceding donee.

Part III

Column 1. For charitable deduction property that the organization sold, exchanged, or otherwise disposed of within 3 years of the original contribution, describe each item in detail. For a motor vehicle, include the vehicle identification number. For a boat, include the hull identification number. For an airplane, include the aircraft identification number. Additionally, for the period of time the organization owned the property, explain how it was used. If additional space is needed, attach a statement.

Column 3. Check "Yes" if the organization's use of the charitable deduction property was related to its exempt purpose or function. Check "No" if the organization sold, exchanged, or otherwise disposed of the property without using it.

Signature

Form 8282 is not valid unless it is signed by an officer of the organization. Be sure to include the title of the person signing the form and the date the form was signed.

How To Get Tax Help

Internet

You can access the IRS website 24 hours a day, 7 days a week at www.irs.gov/eo to:

- Download forms, instructions, and publications;
- Order IRS products online;
- Research your tax questions online;
- Search publications online by topic or keyword;

- View Internal Revenue Bulletins (IRBs) published in the last few years; and

- Sign up to receive local and national tax news by email. To subscribe, visit www.irs.gov/eo.

DVD

You can order Publication 1796, IRS Tax Products DVD, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Tax Map: an electronic research tool and finding aid.
- Tax law frequently asked questions.
- Tax topics from the IRS telephone response system.
- Fill-in, print, and save features for most tax forms.
- IRBs.
- Toll-free and email technical support.
- Two releases during the year.

Purchase the DVD from National Technical Information Service (NTIS) at www.irs.gov/cdorders for \$30 (no handling fee) or call 1-877-CDFORMS (1-877-233-6767) toll-free to buy the DVD for \$30 (plus a \$6 handling fee). Price is subject to change.

By Phone

You can order forms and publications by calling 1-800-TAX-FORM (1-800-829-3676). You can also get most forms and publications at your local IRS office. If you have questions and/or need help completing this form, please call 1-877-829-5500. This toll free telephone service is available Monday thru Friday.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping 3 hr., 35 min.
- Learning about the law or the form 12 min.
- Preparing and sending the form to the IRS 15 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File* on page 3.