



FM Area Foundation
Connecting people and purpose.

GIFT ACCEPTANCE POLICY

The Fargo-Moorhead Area Foundation (the “Foundation”) encourages donors to make both outright and deferred gifts in furtherance of the Foundation’s charitable mission. A Gift Acceptance Policy defines the types of assets the Foundation will receive, the forms that these gifts can take and, lastly, the role of the Foundation in accepting the assets contributed. All solicitations for and acceptance of any gift and/or fund in the Foundation shall be subject to this policy as it may be amended from time to time.

It shall be the policy of the Foundation that;

1. All gifts, contributions or donations to the Foundation are irrevocable and become, upon their formal acceptance, the sole property of the Foundation.
2. The Foundation, through its Trustees and Fund Managers, has the sole right to make all investment decisions regarding gifts received subject to the applicable provisions of both its Resolution and Declaration of Trust and its corporate Bylaws, including any amendments thereto; in making gifts to the Foundation, donors give up the right to choose investments, or to veto investment choices for their gifts.
3. No gift, contribution or donation will be accepted by the Foundation if the donor, a member of the donor's family, or any donor advisor receives any material benefit, directly or indirectly, from the gift.
4. The Foundation reserves the right to accept or decline any proposed fund or gift to the Foundation.
5. If a gift is not accepted, the Foundation staff shall notify the prospective donor in writing within two (2) business days after the determination to decline the gift has been made.
6. If required by the nature of a gift, a qualified appraisal of the property shall be the obligation of the donor and that the Foundation staff will work with the donor through the valuation process.
7. Accepted gifts will be acknowledged by staff in accordance with the normal practices of the Foundation which shall, at all times, comply at a minimum with federal regulations.
8. As a general rule, the purpose of any gift establishing a new fund shall be defined in a written Fund Agreement signed by both the donor and an individual specifically authorized by the Foundation for this purpose, the exception being the creation of a Fund through a bequest.
9. In all cases and at all times, the Foundation shall comply with all legal requirements, including by way of example and not limitation, its variance power.



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10. Marketable gifts (cash, cash equivalents, and publicly traded securities) shall require no prior review by the Board of Directors on acceptance, so long as the purpose and form of those gifts is in keeping with the standards set out herein.

11. The Foundation may accept Cryptocurrencies as gifts, subject to conditions. Should the conditions be met, then cryptocurrency gifts may be accepted to fund charitable activities, as recommended by the Donor. Cryptocurrency gifts shall require no prior review by the Board of Directors, so long as certain conditions of the gift are met.

12. Gifts of illiquid assets (tangible personal property, real estate, life insurance, non-publicly traded securities, oil and gas, and all other gifts) or gifts not in compliance with this policy shall be reviewed and approved by the Board of Directors prior to acceptance. This review shall address:

- The value of the asset
- The likelihood the asset can ultimately be liquidated
- The projected income if the gift is held as an investment
- The charitable nature of the gift
- The risk of accepting the gift, including but not limited to environmental issues, maintenance costs and liability
- The carrying costs, including but not limited to insurance and property taxes
- The unrelated business income tax consequences of retaining the asset

13. The Foundation will work with each donor to accept any reasonable gift. However, the following types of gifts are generally acceptable, subject to review of the Foundation:

- Cash and Cash Equivalents
- Securities
- Real estate
- Life insurance
- Charitable remainder trusts
- Charitable lead trusts
- Retirement plan beneficiary designations
- Bequests
- Tangible personal property
- Bargain sales
- Intellectual property
- Beneficial ownership in various legal entities



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- Gas, Oil, and/or Mineral rights
- Any other form of gift deemed acceptable by the Foundation

Excess business holdings - The Pension Protection Act of 2006 amended section 4943 of the Internal Revenue Code to limit ownership of closely-held business interests in a donor advised fund. A fund's holdings, together with the holdings of disqualified persons (donor, advisor, members of their families and businesses they control) may not exceed any of the following:

- 20% of the voting stock of an incorporated business;
- 20% of the profits interest of a partnership, joint venture, or the beneficial interest in a trust or similar entity;
- Any interest in a sole proprietorship.

These limitations do not apply if the donor advised fund holds an interest that does not exceed two percent of the voting stock and two percent of the value of the business.

Donor advised funds receiving gifts of interests in a business enterprise have five years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. To prevent a violation of these rules, it is the Foundation's policy is to divest itself of such holdings within five years from the date the Foundation acquired the asset. If that is not possible, the asset will be transferred to a new or existing fund that is not an advised fund.