CATHOLIC COMMUNITY FOUNDATION
Los Angeles

Gift Acceptance Policy

Purpose

The purpose of this Gift Acceptance Policy is to establish the guidelines according to which the Catholic Community Foundation of Los Angeles (the "Foundation") accepts gifts from donors.

Authorization

The President, or any other person(s) designated by the Foundation's Board of Directors (the "Board"), is authorized to accept gifts made to the Foundation and to approve and execute, on behalf of the Foundation, all agreements with donors in furtherance of the Foundation's charitable purposes as set forth in the Foundation's Articles of Incorporation and Bylaws. Acceptance of gifts other than cash or publicly traded securities shall require the signature of two (2) officers or directors of the Foundation who have no financial interest in the gift. The Foundation reserves the right to refuse any gift.

Policies Regarding Assets Used to Make Gifts

1. **Gifts of Cash and Publicly Traded Securities**
   The Foundation will accept gifts of cash and publicly traded securities in any amount.

2. **Other Business Interests**
   The Foundation may accept gifts of stock, options, warrants, and other interests in closely held "C" corporations, "S" corporations, limited-partnership interests, and limited-liability-company (LLC) interests, as well as notes, trust deeds, and similar assets. All such gifts will be evaluated on a case-by-case basis. Valuation of the gift for tax purposes is the responsibility of the donor. The Foundation will not provide a value for the gift in its acknowledgment letter to the donor.

   a) The Foundation will not accept a business interest that will subject the Foundation to any liability, including cash calls on limited partnerships or LLCs or other business interests that could have adverse consequences for the Foundation unless legal counsel advises differently.

   b) In the case of a business interest that is to be sold, the Foundation will not participate in the issuance of warranties, representations, indemnification agreements, or covenants not to compete unless legal counsel advises differently.

   c) General-partnership interests normally will not be accepted by the Foundation because they can present a significant legal and tax liability. The Foundation may consider structuring the transaction to avoid such liabilities.

   d) If a designated fund is created by the gift, the Foundation will charge the resulting fund the Foundation's costs associated with the Foundation's acceptance of the business interest (e.g.,

unrelated business income taxes, attorneys' fees, etc.). The Foundation may request that the donor contribute additional cash or other liquid assets to the fund to pay such costs.

3. **Life Insurance**
The Foundation may be designated as a primary or successor beneficiary of a donor's life insurance. Insurance policies must have a minimum face value of $10,000, and the donor must irrevocably name the Foundation as the policy beneficiary. As a condition of accepting a gift of a life-insurance policy on which premiums remain due, the Foundation will require the donor to enter into a legally binding pledge to contribute to the Foundation an amount sufficient to pay the premium at least thirty (30) days prior to each premium due date. Premiums may be paid from accrued dividends or accumulated cash value if sufficient and so stipulated by the donor. The Foundation shall have the right to surrender, exchange, or sell any policy at any time. If the Foundation is notified that a policy is to be terminated for nonpayment of the premium, the Foundation may elect to continue to pay the premium from its unrestricted assets or use the accrued cash value of the policy to pay the premium. The Foundation will not accept gifts of insurance that are related to what is commonly referred to as a "charitable reverse split dollar" or "charitable limited partnership" plan or any other controversial charitable giving plan involving insurance without first obtaining advice from legal counsel or a ruling from the Internal Revenue Service as to the legality of the insurance plan.

4. **Illiquid Assets**
The Foundation may accept gifts of illiquid assets such as real estate, tangible personal property, and intangible personal property. Illiquid gifts to the Foundation may require additional documentation prior to acceptance. This may include an appraisal, site visit, professional inspection or assessment, environmental review, and other types of due diligence associated with the proposed gift.

   a) The cost of a valuation appraisal will be borne by the donor. Other transfer costs, including attorneys' fees and title insurance, may be borne by the donor or charged to the fund being established at the Foundation.

   b) Gifts of real estate may be made outright, on a testamentary basis, on a current basis subject to a retained life estate, or to a charitable remainder trust or charitable lead trust. Such gifts require extra review.

      i. A due-diligence review includes but is not limited to a valuation appraisal, a physical inspection by a Foundation representative as well as a professional property inspector if the Foundation so recommends, an environmental Phase I review on gifts of commercial or industrial property, cash-flow statements and tenant leases (for rental property), and a title examination and/or an opinion of title by a qualified attorney or title company.

      ii. The property must have significant value in relation to the cost of holding and selling the property and any liability or exposure in connection with ownership of the property. The Foundation will perform a cost-benefit analysis to evaluate the cost of holding and/or improving the property against the cost of liquidating the property immediately.

      iii. The property must be marketable within a reasonable time frame.

iv. The use or image of the property must be suitable to and consistent with the Foundation's mission.

v. Proposed gifts of property located outside the United States will be reviewed on a case-by-case basis.

vi. The Foundation will secure title insurance and a title-insurance binder on gifts of real property.

vii. All gifts of real property will be reported to the Foundation's insurance carrier for inclusion in its corporate insurance policies.

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