

**Park Nicollet Foundation
("Foundation")
Gift Acceptance Guidelines
2014**

The Gift Acceptance Guidelines ("Guidelines") outlined below are intended to supplement the Foundation's Gift Acceptance Policy. Foundation management should follow these Guidelines when accepting all gifts on the Foundation's behalf. In addition to these Guidelines, and in accordance with the Gift Acceptance Policy, management should contact the HealthPartners Law Department regarding any restricted or unique gifts.

1. Cash - Checks shall be made payable to the Park Nicollet Foundation and shall be delivered by mail or in person to Park Nicollet Foundation, 6500 Excelsior Blvd., St. Louis Park, MN 55426. The Foundation shall also accept cash gifts through its website.
2. Publicly Traded Securities - Donors may transfer publicly traded securities to a brokerage account of the Foundation or may deliver stock certificates by mail or in person. If a donor delivers a stock certificate by mail, the unsigned certificate and a signed stock power should be mailed in separate envelopes by registered mail. A hand delivery should consist of an unsigned certificate and a signed stock power. The Foundation's normal policy is to liquidate donated publicly traded securities as soon as possible.
3. Life Insurance - The Foundation will accept life insurance proceeds payable to it as a beneficiary of a life insurance policy that the donor owns at death. In addition, the Foundation will accept lifetime gifts of paid up whole life insurance policies on the life of the donor, as well as ownership of the policy. The Foundation will record the current cash value of the policy in its financial statement. If the Foundation is named as the owner of a life insurance policy but the donor does not elect to continue to make gifts to cover premium payments on the policy, the Foundation may: (i) continue to pay the premiums; (ii) convert the policy to paid up insurance, or (iii) surrender the policy for its current cash value.
4. Retirement Accounts - Donors will be encouraged to name the Foundation as beneficiary of their retirement plans. However, such designations will not be recorded as gifts to the Foundation until the gift is received. The Foundation should obtain a copy of the executed designation form that the donor has submitted to the retirement plan administrator naming the Foundation as a beneficiary.
5. Gifts by Will or Revocable Trust - The Foundation will accept a distribution of assets from a donor's estate or revocable trust. Such gifts will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift, if known, may be recorded and recognized at the time the gift becomes irrevocable. In addition, the Foundation will not accept co-trusteeship of a revocable trust with the donor while the donor is alive and competent.
6. Charitable Gift Annuities - The minimum funding amount to establish a charitable gift annuity ("CGA") is \$10,000, unless an exception is granted by the Foundation Board of Directors. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. When the Foundation accepts

a transfer of cash or property in exchange for a CGA, it will hold the transferred property, or the reinvested proceeds from its sale, in its CGA pool until all payments under the CGA have been made.

7. Charitable Remainder (“CRT”) and Charitable Lead Trusts (“CLT”) - The Foundation will not act as the trustee, co-trustee, or successor trustee of a CRT or CLT. If a prospective donor approaches the Foundation about the possibility of establishing a CRT or CLT for the Foundation’s benefit, the Foundation will consult with its legal counsel. The Foundation may also recommend that prospective donors consult with outside parties, such as banks or agencies that may agree to serve as the trustee.
8. Real Estate – Acceptable gifts of real estate include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of a gift of real estate, the Foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The value of the gift will be determined based upon a real property appraisal. When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. Unless the Board of Directors grants an exception, the donor shall bear all costs related to a potential real estate gift.
9. Tangible Personal Property - The Foundation will classify all proposed gifts of tangible personal property as either a “related use gift” or an “unrelated use gift.” A “related use gift” is property that the Foundation determines, after conferring with its legal counsel and other pertinent Park Nicollet Health Services personnel will be used in furtherance of its tax-exempt purposes for an indefinite period. An “unrelated use gift” is property for which the Foundation has no use in its tax-exempt programs, and which the Foundation will either sell or hold for investment.
10. Closely Held Securities – The Foundation may accept gifts of: (1) closely held stock; (2) limited partnership interests; (3) interests in limited liability companies; and (4) debt instruments issued by closely-held businesses. The Foundation will not accept general partnership interests. In reviewing proposed gifts of closely held business interests, The President of the Foundation along with legal counsel if necessary, shall consider whether: (i) the interest is subject to restrictions that would prevent the Foundation from realizing a substantial financial benefit from the interest; (ii) the interest is reasonably likely to provide a substantial return to the Foundation in the form of sale proceeds, dividends, interest or other return; and (iii) the interest has the potential to generate taxable income, other undesirable tax consequences, or other liabilities for the Foundation.
11. Pledges - All pledges must be made in writing, and the pledge instrument must state clearly all of the terms of the pledge, including the amount of the pledged gift, the time for payment of installments and the use to which the Foundation will put the gift. Pledges are generally to be completed within five years.

All pledge instruments which are intended to be legally binding will include a statement to that effect. Because of the complications that can arise for donors when pledges are legally binding, the Foundation will require that a pledge be legally binding only if the Foundation intends to rely on the pledge in making financial commitments, *e.g.*, in the case of the construction of a building or other capital project.

Should a donor indicate that an existing pledge requires modification, a written confirmation outlining the altered conditions, such as changes in pledge period or installment amount will be generated.

A pledge balance will be written off when notification is sent of a donor's death, unless there are provisions for satisfaction of the pledge in the donor's will or the family has indicated intent to satisfy the pledge.

- I. 12. Endowment Funds– A Permanent Endowment fund may be established with a minimum gift or pledge of \$50,000. Most pledge periods will not exceed 5 years. If the balance of \$50,000 is not reached, the donor, if living, will be consulted to re-allocate the funds in a manner consistent with their original intent. If not living, the President of the Foundation has the authority to move the funds to another area in alignment with the donor's original intent, or, where the needs are greatest.

Endowment funds can be named, anonymous, unrestricted as to purpose, restricted to a specific purpose or restricted to area of greatest need as specified by the donor and approved by the Foundation.

13. Named Funds – A named fund may be established with a minimum gift of \$5,000. The fund may be designated to support a specific program or purpose as specified by the donor and approved by the Foundation. Most named funds will be used within five (5) years. If the fund has not been used in the manner designated, within five (5) years, the President of the Foundation has the authority to move the funds to another area in alignment with the donor's original intent, or, where needs are greatest.

Park Nicollet Foundation Tax Identification No: 23-7346465