

WACOSA Gift Acceptance Policy & Procedures

Board Approved: 03-19-12

Revisions Approved by Board: 2/28/2022; 2-24-2025

Legacy Restrictions

Legacy or estate gifts that are permanently restricted by the donor will be added to the WACOSA Endowment Fund. The gifts are given with the intention that the donor's gift will be invested and used in perpetuity. These permanently endowed gifts allow the Organization to generate investment income, which will be distributed in accordance with the Organization's spending policy. This type of gift allows the donor's legacy to provide continuous yearly support and preserves assets of the Organization, which allows for the longevity and continuous growth of the Organization's future. The cumulated endowed gifts will be referred to as the Legacy Fund.

The investment returns accumulated in the WACOSA Endowment Fund will be considered temporarily restricted until they have been appropriated for use, at which time they will become unrestricted.

While it is the Organization's intentions to hold legacy gifts permanently, donors are advised that these permanently restricted legacies may become unrestricted and the original corpus may be used by the Organization if the Board of Directors determines that the Organization is experiencing a time of financial hardship that may result in the termination of the Organization if additional funding is unavailable. Such determination must be made by Board of Directors resolution and after considering other reasonable alternatives. Respecting the donor's wishes, the Organization will request –in writing or electronically – the original donor or the original donor's representative(s) to remove the restriction in a record prior to the Board of Director's formal removal.

In the event that the Board of Directors determines that the Organization is in such a state of financial hardship and a donor cannot be located or has not responded the Organization may apply to a court of law for the modification of a particular restriction on an endowed fund pursuant to Minnesota statutes. Furthermore, if the Organization determines that a restriction contained in a legacy gift is unlawful, impracticable, impossible to achieve or wasteful, the Organization, sixty days after notification to the Minnesota attorney general, may release or modify the restriction, in whole or in part, if i.) the legacy gift subject to the restriction has a total value of less than \$50,000; ii.) more than twenty years have elapsed since the legacy gift was established; and iii.) the Organization uses the property in a manner consistent with the charitable purposes expressed in the legacy gift.

Legacy or estate gifts that are unrestricted by the donor will be added to the WACOSA Flexible Fund (are also known as "Board Designated Endowment" or "Funds

Functioning as Endowment). The Fund will be operated like an endowment but not be permanently restricted, meaning both the corpus and the distributions are available for general operations or any special project. On an annual basis, the Organization's Board may restrict and transfer operating surplus and/or other unrestricted donations to the **WACOSA Flexible Fund.** These restrictions will be temporary in nature and removable by Board approval.

A distinctly Named Endowed Fund may be established within the WACOSA Endowment Fund for gifts of \$25,000 or more. The gifts are given with the intention that the donor's gift will be invested and used in perpetuity. A "Memorandum of Agreement" signed by the donor and the Organization will be required to establish a Named Endowment Fund. A named fund may subsequently be revoked, if the name may undermine the public respect for or otherwise tarnish the image of the Organization. Ultimate authority to approve and/or revoke an approved name rests with the Organization.

In addition, the Organization will operate this Policy following standard practices and adheres to the models set forth in the "Model Standards of Practice for the Charitable Gift Planner" adopted by the National Committee on Planned Giving and "A Donor Bill of Rights" created by the American Association of Fundraising Counsel. *[See attached "Model Standards of Practice for the Charitable Gift Planner" and "A Donor Bill of Rights."]*

Protecting Donor Intentions and Privacy

In addition to the recognition noted above, the Organization has established a the WACOSA Legacy Society. This Legacy Society is comprised of donors that have made or intend to make planned gifts through their estate and/or establish a Named Endowment Fund. Every planned gift donor will be invited to become a member of this society. Members of the WACOSA Legacy Society will be honored at appropriate events and listed in annual reports, unless the legacy member wishes to remain private.