



DONOR-ADVISED FUND

Gift Acceptance Policy

AMERICAN ENDOWMENT FOUNDATION

Effective Date: August 20, 2021

2024

5700 Darrow Road, Suite 118
Hudson, OH 44236

aefonline.org
888.440.4233



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1.0 Overview

1.1	OBJECTIVE	American Endowment Foundation (“AEF”) is a 501(c)(3) non-profit corporation which seeks to expand philanthropy in the United States. The purpose of this Gift Acceptance Policy is to establish guidelines governing the acceptance of gifts (defined in Section 1.2) by AEF for the benefit of its operations, programs or services and to provide guidance to prospective donors and their financial advisors when making gifts to AEF.
1.2	DEFINITION OF A GIFT	<p>For purposes of this policy, a “gift” is a complete voluntary transfer of cash or other assets from a person or organization to AEF where no goods or services are expected, implied or forthcoming in return to the donor. The following criteria generally identify a gift:</p> <ul style="list-style-type: none">• A gift is motivated by philanthropic intent.• A gift is not subject to an exchange of consideration or other contractual duties between the donor and AEF.
1.3	SCOPE	This policy applies to all gifts received and accepted by AEF.
1.4	EFFECTIVE DATE	This policy was approved and effective on August 20, 2021 (the “Effective Date”).

2.0 Governance

2.1	ROLE OF THE GIFT ACCEPTANCE COMMITTEE	<p>The Board of Directors of AEF (the “Board”) authorized the executive officers of AEF to establish the Gift Acceptance Committee (the “Committee”) for the purpose of reviewing proposed gifts to AEF. The Committee is led by the Chief Investment Oversight Officer and is responsible for the review of all potential gifts to determine whether AEF will accept or reject the gift. In the event that any total potential gift exceeds the greater of (i) \$100 million or (ii) 3% of AEF’s total portfolio of donor-advised funds, the executive committee of the Board must also approve the gift.</p> <p>The Committee is also responsible for (i) the maintenance and oversight of this policy and (ii) the implementation and modification of internal procedures that will support the policy. The Committee reports to the executive officers of AEF as needed and the executive officers report to the Board on a regular basis.</p>
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2.2 ROLE OF THE DONOR

AEF accepts gifts from individuals, trusts, private foundations, other donor-advised funds, corporations and other taxable and non-taxable entities.

A prospective donor is responsible for ensuring that any gift furthers his or her charitable, financial and estate planning goals. In all transactions between a potential donor and AEF, AEF aspires to provide accurate information and full disclosure of the costs, benefits and liabilities that could influence a donor's decision to make a gift, including, but not limited to:

- **The gift is irrevocable and non-refundable,**
- **The gift is subject to the exclusive legal authority and control of AEF as to the gift's use and distribution,**
- **The gift is not subject to restrictions or conditions further described in Section 3.0,**
- **AEF's investment policies,**
- **AEF's fees, and**
- **Other information AEF deems necessary for donors to make an informed choice about using AEF as a vehicle of charitable gifts.**

AEF does not provide advice about the tax or other treatment of gifts and encourages all prospective donors to seek guidance from independent financial, investment, tax and legal counsel relating to their gifts. Any legal counsel engaged by AEF is employed or engaged by AEF and does not act on behalf of the donor.

3.0 Acceptable Gifts

3.1 GENERAL

Generally, AEF only accepts gifts pursuant to its Program Description and Application which must be executed by the donor. Depending on the nature of the gift, AEF may require a donor to execute additional documents or agreements prior to AEF's acceptance of the gift.

In connection with the evaluation of any gift, the Committee may (i) communicate with the donor or his or her financial advisor as the Committee deems necessary and (ii) may conduct due diligence and request information from the donor or his or her financial advisor to assist the Committee in its review of the gift.



The acceptance of any gift is in the sole discretion of AEF. AEF will not accept any gift:

- **Unless it can be used or expended consistent with AEF's purpose and mission, or**
- **If the gift may potentially jeopardize AEF's tax-exempt status or violate any of AEF's policies or procedures in effect from time to time or local, state or federal laws or regulations.**

Upon AEF's acceptance of the gift:

- **The gift is exclusively legally owned and controlled by AEF,**
- **The gift is irrevocable and non-refundable, and**
- **AEF maintains full discretion with respect to the gift, including but not limited to, any subsequent sale, redemption, transfer or other disposition.**

3.2 CASH

AEF will generally accept all unrestricted gifts (see Section 3.7 for additional information) of cash or cash equivalents (assets that can be quickly turned into cash, such as money market holdings, short-term government bonds and Treasury bills). These gifts must be in U.S. Dollars and delivered by check made payable to AEF, electronic funds, transfer or wire.

3.3 PUBLICLY-TRADED SECURITIES

GENERAL

AEF will generally accept gifts of stocks, bonds, mutual funds, ETFs and similar securities that are traded on a national securities exchange that is registered with the Securities and Exchange Commission (the "SEC").

CERTIFICATED SECURITIES

Stock certificates must be endorsed by all registered owners of the contributed gift and accompanied by an irrevocable stock power form.

RESTRICTED SECURITIES

"Restricted" securities are those that have not been registered with the SEC, and as such either have trade restrictions or have never been issued publicly. The term "restricted" also refers to securities owned by a potential donor who is considered an "affiliate" or "control person" pursuant to SEC rules and regulations. AEF's acceptance of restricted securities are subject to (i) the approval of the Committee, (ii) the marketability of the restricted securities and (iii) the issuer's approval of the sale of such restricted securities.

PRE-APPROVAL

AEF requires pre-approval for any gift representing more than 2% of the securities of a publicly- traded company.

3.4 PRIVATELY-HELD SECURITIES

Gifts of securities that are privately-held, including but not limited to stock of closely-held corporations, interests in limited partnerships or limited liability companies, private equity, venture fund, hedge fund and offshore investments, are subject to the review and approval of the Committee. In conducting its review, the Committee considers any obligations created or liabilities posed by the gift for AEF, including but not limited to:

- **Marketability of the gift,**
- **Potential excess business holding issues (as further described in Section 4943 of the Internal Revenue Code of 1986, as amended (the “Code”)),**
- **Potential tax on unrelated business income (as further described in Section 511(a)(1) of the Code),**
- **Carrying costs,**
- **Ongoing fiduciary obligations, and**
- **Legal and other restrictions imposed on the transfer and acceptance of the gift contained in the entity’s governing documents. In addition, AEF generally requires a written agreement between the donor and AEF that provides for (i) the payment of administrative expenses and unrelated business income taxes generated by the gift and (ii) the donor’s indemnification of AEF against all liabilities associated with the gift. Depending on the nature, size and complexity of the potential gift, AEF may impose additional restrictions or obligations on the donor prior to the acceptance of the gift.**

Generally, AEF will not accept a gift:

- **Subjecting AEF to excise taxes pursuant to the IRS’s excess business holdings rules (subject to a written agreement between the donor and AEF to mitigate against any excise taxes), or**
- **Representing an interest in a general partnership due to the unlimited liability of general partners.**





3.5 INTERESTS IN REAL PROPERTY

Real property includes improved and unimproved land, residences, condominiums, apartment buildings, rental property, commercial property and farms and may encompass an immediate gift or the gift of a future interest in real property. Any gift of real property is subject to the review and approval of the Committee and requires a minimum appraised value of \$1,000,000. AEF requires that any gift involving real property is an interest in an entity that directly or indirectly owns the real property (e.g., stock in a corporation or interests in a partnership, trust, limited liability company or other entity) rather than the real property itself.

In conducting its review, the Committee considers any obligations created or liabilities posed by the gift for AEF and AEF will not accept the gift without: Evidence of fair market value,

- **Evidence of clear title,**
- **Evaluation of saleability,**
- **Evaluation of carrying costs,**
- **Lack of third-party interests, including liens and encumbrances by lenders, and**
- **Environmental scrutiny. Depending on the classification of the real property and AEF's ownership interest related thereto, pursuant to Internal Revenue Code rules and regulations AEF may require additional information and documentation from the donor and, as a result, may impose additional restrictions or obligations on the donor prior to and after the acceptance of the gift.**

(A) BEQUESTS

AEF generally accepts bequests from a donor through a will or trust who has directed that certain assets be transferred to AEF and complies with the language requirements set forth by AEF. A bequest is not deemed a gift to AEF until such gift becomes irrevocable.

AEF may not be named as an executor or trustee in a will or trust, as applicable, and will not serve if named.

AEF reserves the right to refuse any bequest that is inconsistent with this policy or AEF's other policies and procedures in effect from time.

(B) LIFE INSURANCE

AEF may accept gifts of new or existing life insurance policies provided that (i) the minimum death benefit is \$100,000, (ii) the policy





is not encumbered, (iii) the donor or financial advisor provides a life insurance illustration, (iv) AEF is named the policy owner and sole beneficiary, (v) a preference on the design for a no-lapse guarantee, and (vi) liquidity is available to maintain the policy and administration of the donor-advised fund.

If premium payments can no longer be made because the donor elects to discontinue making gifts to cover such premium payments, AEF may, in its sole discretion, elect to continue to make the premium payments, transfer the policy or surrender the policy for its cash value.

AEF does not accept term life insurance policies as gifts.

(C) ANNUITIES

AEF may accept gifts of new or existing annuities provided that (i) the annuity is not in the annuitization phase, (ii) the donor or financial advisor provides an annuity illustration, (iii) AEF is named the owner and sole beneficiary and (iv) the cash value of the annuity does not exceed 50% of the balance of the donor's DAF (unless the annuity is single-premium).

Prior to acceptance, the donor is required (i) to provide sufficient liquidity to pay AEF's fees for the first year and (ii) to pay the initial annuity premium (if a flexible premium annuity).

(D) LIFE INCOME GIFTS AND TRUSTS

A donor may implement planned giving options that provide income to a donor or his or her designees, as well as a financial benefit to AEF, through a charitable remainder trust or a charitable lead trust. AEF will not serve as a trustee of any trust. The donor is required to provide pages of the trust naming AEF as the beneficiary as well as the cover and signature pages of such trust.

All bequest language must be in accordance with this Section 3.6(a).

(E) RETIREMENT PLAN

Subject to limitations imposed by the Internal Revenue Service ("IRS"), a donor may make a lifetime gift of retirement assets or name AEF as the beneficiary of his or her retirement plan. Retirement plans include, but are not limited to, Individual Retirement Accounts (each, an "IRA"), 401(k), 403(b) and defined contribution plans.

If the gift of retirement assets to AEF is pursuant to an IRA charitable rollover, also known as a qualified charitable distribution, IRS rules and regulations require that such gift be maintained at AEF through a designated fund rather than a donor-advised fund. AEF



requires advance written notification from the donor prior to making a qualified charitable distribution to AEF.

AEF reserves the right to refuse any bequest that is inconsistent with this policy or AEF's other policies and procedures in effect from time to time.

3.7 OTHER GIFTS



AEF may accept other assets on a case-by-case basis after review and approval by the Committee and may include: Interests in a trust,

- **Royalty payments,**
- **Intellectual property interests,**
- **Oil, gas and mineral property interests (provided that interests are owned is in an entity such as stock in a corporation or interests in a partnership, trust, limited liability company or other entity),**
- **Promissory notes, or**
- **Commodities.** In connection with the acceptance of such gifts, AEF may utilize a third party to assist with the evaluation and potential ownership of such gifts.

3.8 RESTRICTIONS ON GIFTS

The Committee reviews any gift that includes restrictions or conditions impacting AEF's ownership of the gift. Generally, AEF will not accept a gift that is subject to a material restriction or condition, including, but not limited to:

- **A donor maintaining any right to control the asset, including any subsequent sale, redemption, transfer or other disposition of the asset,**
- **Any other condition that prevents AEF from exercising exclusive control of the use of the gift to further its tax-exempt purpose,**
- **A gift that confers more than an incidental benefit on a donor as further described in Section 4967 of the Code,**
- **Any restriction that would result in a violation (i) AEF's Code of Regulations or (ii) any of AEF's policies and procedures in effect from time to time, or**
- **Any other restriction deemed inappropriate or inadvisable by AEF in its sole discretion.**

The Committee will not accept gifts that are deemed overly restrictive in purpose. All final decisions on the restrictive nature of a gift and its acceptance or refusal will be made by the Committee.

3.9 USE OF THIRD PARTY CHARITIES

AEF reserves the right to utilize a third party charity as an intermediary to accept a gift on behalf of AEF and distribute any proceeds related to such gift to AEF.

4.0 Use of Legal Counsel

AEF seeks the advice of its outside legal counsel where appropriate when the Committee is determining the acceptability of a gift. The donor will be responsible for any fees incurred by AEF's outside legal counsel and AEF may seek reimbursement of such fees through the donor's fund.

Generally, outside legal counsel is engaged for: Gifts of securities subject to buy-sell agreements or other restrictions,

- Gifts involving contracts or other legal documents requiring AEF to assume an obligation,
- Gifts imposing a fiduciary obligation,
- Gifts with potential conflicts of interest that have the potential for IRS sanctions,
- Gifts of real estate,
- Other instances in which the Committee deems the use of legal counsel appropriate.



5.0 Miscellaneous Provisions

5.1 VALUATION OF GIFTS OTHER THAN CASH AND PUBLICLY-TRADED SECURITIES

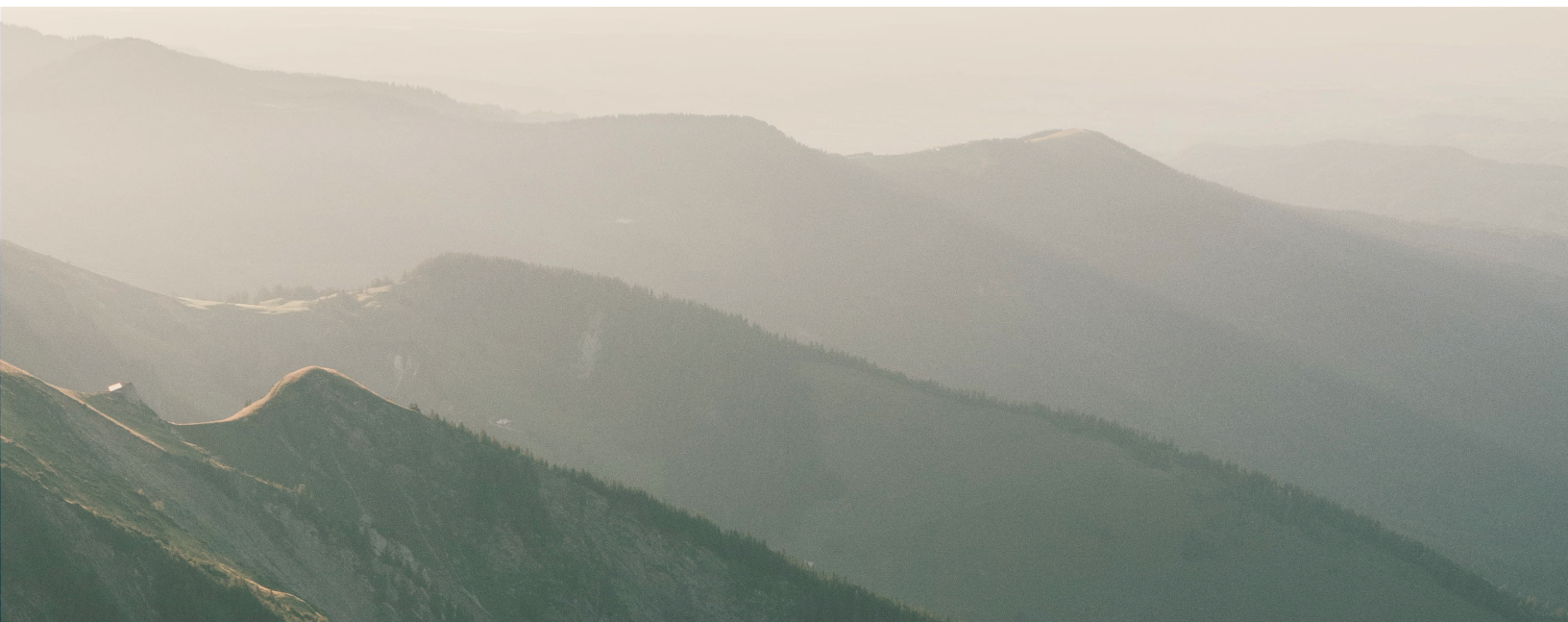
For gifts other than cash and publicly-traded securities, the IRS requires a donor to (i) obtain an independent appraisal of the gift and (ii) file a Form 8283 that requires the signature of AEF. The donor agrees to promptly provide AEF with a completed Form 8283 (including a copy of the appraisal) for signature by AEF. AEF reserve the right to withhold the donor's gift receipt pending receipt of the items referenced above.



5.2	ACKNOWLEDGMENT OF GIFTS	AEF will provide acknowledgements to donors meeting current IRS substantiation requirements for certain assets received by AEF as a gift.
5.3	IRS FILINGS	AEF will complete all filing required by the IRS of AEF in connection with gifts received by AEF. AEF is not responsible for completing any IRS filings required of the donor.
5.4	DONOR FEES	Additional time and resources are necessary to analyze potential gifts. The donor's fund may incur additional costs and expenses with respect to such gifts. Any such costs and expenses will be due upon AEF's acceptance of the gift and AEF may seek reimbursement of such fees and expenses through the donor's fund.

6.0 Exceptions

Any exceptions to this policy will be reviewed on a case-by-case basis and approved by AEF in its sole discretion.



FOR MORE INFORMATION

American Endowment Foundation
5700 Darrow Road, Suite 118
Hudson, Ohio 44236

www.aefonline.org

1-888-440-4233 Toll-free
330-655-7552 Phone
330-656-2063 Fax

AEF's Employer ID Number:
34-1747398



American Endowment Foundation is registered in all states, and the District of Columbia, where such registration is required. A copy of such record is available upon request.