

Policy Statement

The Liberty Hospital Foundation, hereafter known as Foundation, strongly encourages the solicitation and acceptance of donations that enable it to fulfill its mission to Liberty Hospital. Donations are essential to an institution dedicated to health care.

This policy is designed to provide guidance to the Foundation and the general public so as to facilitate the donation giving process. The Foundation does not intend to stifle philanthropic creativity; the intent of this policy is to provide prospective donors with the greatest freedom possible in formulating their gifts within governing programmatic, policy and legal parameters. Contributions may be solicited and accepted from individuals, corporations, foundations, and federal, state, and local governments. Contributions may be obtained, however, only for programs consistent with the mission of Liberty Hospital and Foundation.

The Foundation values and is responsible for maintaining its integrity, independence, and fund raising freedom. No donation can be accepted which limits beyond a general definition of the health care practices and/or procedures carried out by staff members of Liberty Hospital. The Foundation is also unable to accept donations which are overly restrictive in purpose. The most desirable donations are those with the least restrictions, as unrestricted funds allow the Foundation to address its most pressing needs. Donations accepted by the Foundation must not inhibit it from seeking contributions from other donors, be they similar or different, foreign or domestic.

Finally, donations must be designed and administered in a manner consistent with legal requirements. The Foundation cannot accept contributions which involve unlawful discrimination based upon race, religion, gender, sexual orientation, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws.

Routine donations are accepted and administered through the Foundation with final authority to accept routine gifts lying with the Executive Director. Proposed contributions that may expose the Foundation and or the Hospital to adverse publicity, require undue expenditures, or involve the Foundation in unexpected responsibilities because of the contributions source, conditions or purposes will be referred for review to Foundation Board and Foundation Executive Director.

Additional Guidelines

Various methods of gift giving can provide flexibility, security and tax savings to donors. The Foundation Executive Director, Officers and various additional associated volunteers are available to provide personalized assistance to donors seeking to understand and choose from the wide range of gift-giving vehicles. The Foundation representatives can also inform donors about the specific protocols involved in Foundation's approval and acceptance of various contribution vehicles.

Donors should note that in certain cases, such as contributions of real estate or tangible personal property, the Foundation will generally look to the donor to bear certain expenses incurred in receiving or maintaining gifts.

While the Foundation's representatives strive to maintain a high level of familiarity with current tax laws and policies, neither they nor other hospital officials are able to give legal advice to donors. The information that those representatives provide, and the information provided in this policy, are presented for discussion purposes only and should not be considered or used as legal advice. Donors and prospective donors should always confer with their own legal counsel or tax advisors for opinions about the tax or other legal consequences of specific situations.

The Foundation will seek the advice of legal counsel as needed in all matters pertaining to its planned giving program. Prospective donors are urged to seek their own counsel in matters relating to their planned gifts, tax circumstances, and estate planning.

Certain categories of donations are not acceptable as charitable donations to the Foundation. For example, gifts cannot be accepted as payment for health care procedures, services or programs or supplies for specific individuals. Gifts made with the condition that the proceeds will be spent by the Foundation for the personal benefit of a named individual or individuals are generally not deductible as charitable contributions. The Foundation will view with caution donations that are inappropriately targeted toward the benefit of particular individuals.

Listed below are examples of some common gift-giving vehicles.

Outright donations are those placed at the immediate disposal of the Foundation and in which the donor retains no interest. The most frequent method used is a personal check, payable to the Liberty Hospital Foundation and mailed or delivered to the Foundation office.

The Foundation also welcomes cash, donations by credit card, matching gifts, contributions by payroll deductions, gifts of securities, tangible personal property, real estate, and other assets.

Restricted donations to a specific program or purpose are accepted, provided that all of the following conditions are met:

- a. The gift is consistent with the Foundation's mission, priorities, and values.
- b. The total gift amount must total \$5,000 and paid in total during the Foundation's fiscal year, July 1 through June 30.
- c. The gift is written in reasonably broad and flexible terms to maximize its usefulness to the Foundation. Gifts should not be so narrowly restricted as to pose an undue administrative burden on the Foundation; impose limitations inconsistent with the Foundation's policies, priorities, or projected activities; illegally discriminate or violate

- jurisdictional law; or result in the administration of funds that cannot easily be used by the Foundation.
- d. The terms of the gift do not limit or interfere with the Foundation's discretion and use of the donated funds. The terms of a gift interfere with the Foundation's discretion and use if: (a) the gift is earmarked for the benefit of any specific individual(s); (b) the Foundation would be required to obtain the donor's approval regarding the specific use of funds; or (c) the gift is subject to a restriction on the Foundation's ability to use, sell, or otherwise deal with the property as it deems appropriate.
 - e. Establishment of new gift funds:
 - i. In the process of discussions with a prospective donor(s) about the creation of a new program or position, the Executive Director or her or his designate and other Hospital administrators (as appropriate) with budget authority must be consulted prior to the creation of a gift or pledge agreement. For gifts outside of healthcare, the Vice President with budgetary authority must be consulted.
 - ii. Restricted gift or pledge agreements requiring the establishment of a new gift fund must be reviewed, prior to sharing with the donor, by the Director of Advancement, the Director of Development, and the Operations Coordinator before being accepted by the Foundation to ensure that the terms of the gift agreement are consistent with the Foundation's mission and can be effectively implemented and maintained. All new Charitable Gift Annuities or Charitable Remainder Trusts, or any new planned gifts, must also be reviewed by the AVP for Development before sharing the gift documentation with the donor.

Gifts of closely-held securities may only be accepted by the Foundation after an approval review has been successfully completed. The Foundation will not, as a condition of receiving such securities as a donation, enter into any agreement that legally obliges the Foundation/Hospital to sell or otherwise dispose of the securities. The decisions to sell, dispose, or hold the securities should be left up to the discretion of the Foundation.

Donations of real property are accepted with the understanding that the Foundation will ordinarily make its best effort to sell the property promptly. The Foundation cannot guarantee that it will sell the property at the donor's appraised value. The Foundation will expect the donor to bear the expense of any necessary appraisal or environmental audit. The Foundation will not itself appraise or assign a value to real property for the donor's valuation purposes, nor will the Foundation, as a condition of receiving a gift of real estate, enter into any agreement that legally obligates the Foundation to sell the real estate.

Donation of oil, gas, and mineral rights are accepted upon review and recommendation of the Foundation. Factors to be considered in review of the proposed donation include:

- a. Any extended liabilities or other considerations that make receipt of the gift inappropriate whether the proposed gift is a working interest (an expense bearing interest)
- b. Exposure to environmental liability, clean up or restoration obligations under relevant law. The Foundation will require that an Environmental Phase 1 Audit be performed on all gifts of an interest in mining or oil and gas properties. Any such audit will be documented for legal reasons. The Foundation reserves the right to inquire and put in place any such legal documents required for acquisition.

Planned or Deferred Donations involve a current commitment by a donor to provide future funds to the Foundation. These types of gifts generally provide some combination of income, capital gain, gift or estate tax benefit and can deliver immediate benefits to the charitable organization, including annual cash payments. Acceptable methods of creating deferred gifts to the Foundation include; bequests (irrevocable), remainder interests in personal residences or farms, charitable gift annuities, pooled income funds, charitable remainder unitrusts, charitable remainder annuity trusts, charitable lead trusts and life insurance policies (see special section for life insurance policy below).

Life Insurance Policies will be accepted for only those that identify as both owner and irrevocable beneficiary. These policy conditions must apply to all insurance policies:

- a. Only “universal” and “whole-life” type insurance instruments will be accepted.
- b. Insurance policies must be underwritten by companies meeting criteria comparable to those which established the minimum ratings noted below:
 - i. A.M. Best Company rating of A (excellent)
 - ii. Standard and Poor’s Company rating of AA
 - iii. Duff and Phelps, Inc. rating of AA
 - iv. Moody’s Investor Service rating of AA
- c. A copy of the insurance policy naming the or as owner and irrevocable beneficiary must be provided to the Foundation in order for the gift to be accepted.