

North Carolina Tennis Foundation, Inc. Gift Acceptance Policy

North Carolina Tennis Foundation, Inc., a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code (the “NCTF”), encourages the solicitation and acceptance of gifts to further its mission to support organizations and programs to enhance the lives of people through tennis and education, and to secure its financial health. To ensure that the NCTF is and will be a responsible steward of these gifts and that these gifts are in its best interest, the NCTF Board of Directors (“Board”) updated the January 26, 2005, Gift Acceptance Policy (“Policy”) on March 18, 2025.

1. Overview

- 1.1 From time to time, the NCTF Board of Directors may review and revise this Policy to comply with changes in federal or state law and to conform with NCTF strategic objectives.
- 1.2 For purposes of this Policy, a gift is defined as an irrevocable transfer of personal property (e.g., cash, securities, tangible items) or real property (e.g. building, land) by a donor, either outright or through a planned gift vehicle. While a donor may designate a specific use of a gift, the donor will have no expectation of direct, personal benefit with the exception of tax benefits and life income in the case of some planned gifts. A gift implies no responsibility to provide the donor with a product, service, or intellectual property.
- 1.3 For fundraising and donor recognition purposes, gifts will be reported and credited according to the National Association of Charitable Gift Planners *Guidelines for Counting and Reporting Charitable Gifts*.
- 1.4 For audited financial reporting purposes, gifts will be reported as prescribed by the Financial Accounting Standards Board (FASB).
- 1.5 A primary difference in these approaches is the treatment of unconditional pledges and bequests which are counted and celebrated when a donor makes a commitment. For financial statement purposes, pledges are reported at the present value of expected cash flows, bequest expectancies are not reported, and bequest revenue is reported when received.

2. Purpose of the Policy

- 2.1 To govern the acceptance of outright gifts and pledges, irrevocable planned gifts, and revocable planned gifts.
- 2.2 To ensure that all gifts have a reasonable expectation of furthering the NCTF’s mission.
- 2.3 To ensure that all gifts and commitments are managed in accordance with both federal and state laws and regulations.
- 2.4 To ensure efficient legal, accounting, and administrative practices are followed.
- 2.5 To ensure that informed decisions are made on the acceptance of gifts and commitments.
- 2.6 To ensure that all gifts and commitments to the NCTF are accurately reported.
- 2.7 To ensure that consistent, ethical, and equitable relations are maintained with all donors.
- 2.8 To provide guidance for the deliberations of prospective donors.

3. General Gift Provisions

- 3.1 Authority to Negotiate, Accept, Decline, or Disdain Gifts. The Executive Director has the authority to accept gifts made to the NCTF in accordance with the provisions of this Policy. The Executive Director may engage other professionals to assist in making a judgment. Where any doubt exists for the Executive Director to accept a gift, the final decision may be made by either the Board or the Finance Committee.
- 3.2 Conflict of Interest. Gifts will not be accepted by the NCTF if the gift creates a conflict of interest under any applicable ethics law or the NCTF policy.
- 3.3 Donor Confidentiality. The NCTF is proud of all gifts received and may share news of a gift through its internal or external communications, publicly acknowledging a donor by name. Donors who wish their gifts to be anonymous or do not want any such recognition may notify the NCTF in writing and all such donor records will be confidential to the extent allowed by law.
- 3.4 Donor Recognition. Appropriate recognition in any NCTF donor recognition program may be extended to donors, unless declined in writing by the donor.
- 3.5 Donor Control, Benefit, and Influence. To comply with applicable laws and ethical standards regarding charitable contributions, donors may designate gifts to an existing purpose or program as set forth within this policy, but may not retain control of gifts, personally benefit from gifts, or influence expenditure of gifts. The NCTF must receive and maintain full control of the gift and exercise complete discretion for the gift's use for charitable purposes only.
- 3.6 Donor Obligations. The NCTF will neither provide legal or tax advice to donors, nor will the NCTF guarantee any gift to be deductible for a particular donor. However, the NCTF will provide any required IRS acknowledgment for donor tax purposes. Donors are encouraged to refer to the Internal Revenue Service Publication 526, *Charitable Contributions*, and to seek such advice from their own counsels and professional consultants so they are fully aware of all potential advantages or disadvantages of any gift, as well as any documentation or reporting obligations that may be required.
- 3.7 Naming. Certain gifts, such as those recognized through the naming of NCTF endowments, funds, awards, and physical spaces will be subject to the NCTF's Naming Guidelines Policy.
- 3.8 Annual Fund. An unrestricted gift that may be used by the NCTF for any mission-driven priority, program, or purpose. An Annual Fund gift may be designated to benefit, e.g. the NC Tennis Hall of Fame, program outreach, or high school tennis.
- 3.9 Endowment Funds (donated). Gifts that are designated to an existing endowment or fund will be recorded as designated to that endowment or fund. E.g. Saunders-Langford Jr. Development Endowment, JL Stacks NJTL Endowment, Anthony Blackman Scholars Endowment, Emily H. Preyer Family Endowment, Scott Pollard Youth Development Fund.

4. General Acceptance Guidelines

- 4.1 Commission. Consistent with the Association of Fundraising Professions Code of Ethics and the National Association of Charitable Gift Planners *Model of Standards of Practice for the Charitable Gift Planner*, no finder's fee or commission of any type will be paid by the NCTF to any party in connection with the completion of a gift to it. No person in the employ of the NCTF may accept any compensation or material benefit from a donor as a result of a gift.
- 4.2 Documentation. All gifts, including outright gifts, planned gifts, and pledges, must be documented through a written gift instrument (e.g. check, commitment form, gift

agreement, memorandum of understanding, online form, or other documentation) that includes: (i) a description of the gift; (ii) any donor restrictions on use of the funds; (iii) whether the funds are for annual, endowment, or where most needed; and (iv) any other information necessary to fully document the donor's wishes (e.g. confidentiality, recognition, etc.). The donor is to be notified of all gifts accepted and that the NCTF has received possession of assets.

- 4.3 Endowed Fund Minimums. To establish a NCTF endowed fund the gift or group of gifts must meet the minimum funding level of \$50,000.
- 4.4 Endowed Fund Pledges. A donor may contribute the minimum corpus required for an endowment fund over a pledge period of up to five years, as scheduled within a fully executed gift agreement. Pledges will be no longer than five years unless an exception is made by the Executive Director or their designee. Such pledged gifts intended for endowment will be held in suspension until the minimum corpus has been reached. Once the minimum has been reached, a period of at least one fiscal year shall occur before the NCTF will begin distributions from the fund.
- 4.5 Gift Refusal. When a gift is judged to be contrary to the NCTF's best interest, the Executive Director or their designee may request that the terms of the proposed gift be revised or decline the offer. Where any doubt exists, the Executive Director, in consultation with the the Finance Committee may refer to any decision with respect to the acceptance, declination, or disclaimer of any gift to the Board of Directors. A gift may be refused for one or more reasons, including but not limited to:
 - 4.5.1 Violation of federal and/or state laws or regulations
 - 4.5.2 Risk to the NCTF's tax-exempt status
 - 4.5.3 Conflict of interest or contradiction with the NCTF's mission, values, strategic goals, and/or policies
 - 4.5.4 Intention of personal benefit to the donor
 - 4.5.5 Undesired cost to or burden on the NCTF
 - 4.5.6 Discrimination based on age, disability, ethnicity, gender, national origin, race, sexual orientation, or other protected characteristics
 - 4.5.7 Restricted too narrowly to be used in a timely manner
 - 4.5.8 Restricted too narrowly to be used objectively and without discrimination
 - 4.5.9 Designated to a specific individual or specific group or individuals
 - 4.5.10 Determination that it is something other than a charitable gift
 - 4.5.11 Risk of exposing the NCTF to adverse publicity or embarrassment
- 4.6 Donor's Best Interest. A gift shall not be accepted by the NCTF if such acceptance would not be in the best interest of the donor. A determination of the donor's best interest shall include, but not be limited to, the donor's financial situation, philanthropic interests, and health status as well as any tax or other legal matters identified while planning for a gift. The NCTF shall not encourage any gifts that are inappropriate considering the donor's personal or financial situation or the donor's medical or cognitive status.
- 4.7 Professional Fees. Reasonable costs of gift acquisition, such as transaction costs and professional fees will be borne by the donor. However, there may be occasions when a prospective donor conditions the gift on the NCTF's agreement to pay such costs, or the NCTF chooses to incur fees for additional due diligence. The NCTF's Finance Committee will verify the reasonableness of the cost and that the cost reimbursement complies with state and federal requirements, including but not limited to tax laws and professional ethics. If appropriate, the NCTF may agree to cover the gift acquisition costs from its operating budget with the approval of the Executive Director and the Finance Committee.

5. Outright Gifts: Gifts that do not require special review by the NCTF and are typically accepted without further consultation. Outright gifts include:

- 5.1 ***Cash:*** Banknotes, coins, checks, credit card payments, money orders, bank drafts, payroll deductions, electronic funds transfers, and any other ready money equivalent. Cash gifts do not include any form of alternative currency (e.g. cryptocurrency) and are entered and acknowledged at their face value. Cash gifts are payable to the NCTF only.
- 5.2 ***Donor-Advised Funds:*** A charitable giving vehicle maintained by a public charity (e.g. Fidelity Charities, a community foundation) that allows a donor to receive an immediate tax deduction, and recommend grants to IRS-qualified charities, such as the NCTF. The NCTF may accept, receipt, and acknowledge donor-advised fund gifts as appropriate without further review or consultation.
- 5.3 ***Matching Gifts:*** A gift made by a third-party contingent on another donor's gift. Matching gifts are generally made by companies that agree to match gifts made by the company's employees, officers, and/or directors. The NCTF may verify, accept, receipt, and acknowledge matching gifts as appropriate without further review or consultation. Matching gifts are entered and acknowledged at face value. For company-matched gifts, it is the responsibility of the donor to request a matching gift from their company and to notify the NCTF of the matching gift.
- 5.4 ***Philanthropic Grants:*** Voluntary transfer of money, services, or property from a donor organization to support a particular NCTF project or program that is generally an award received as the result of a written proposal. The NCTF may accept, receipt, and acknowledge grant funds as appropriate without further review or consultation.
- 5.5 ***Publicly Traded Securities:*** Stocks, bonds, exchange traded funds, mutual fund shares, or other securities traded on a national securities exchange (see Section 6.5 for *Restricted* and difficult to sell securities). These gifts may be accepted by the NCTF under the following conditions:
 - (i) proper instructions are agreed upon to consummate the trade of securities;
 - (ii) the NCTF Executive Director is informed of all pending transfers of securities;
 - (iii) securities are liquidated as soon as practical, generally within one business day of receipt;
 - (iv) securities are receipted at their fair market value on the date they are received (the "Valuation Date"), even if the NCTF elects not to sell the securities.

6. Complex Gifts: Complex gifts require review before the NCTF will agree to accept. Complex gifts include:

- 6.1 ***Gifts-in-Kind and Tangible Personal Property:*** Any provision of service or transfer of property, excluding real property, that includes but is not limited to artwork, automobiles, computers, event services, food or beverages, gems and jewelry, intellectual property, or other tangible items. Gifts-in-kind may be accepted on a case-by-case basis. A gift-in-kind will be acknowledged upon receipt. Donors who wish to claim a charitable deduction for any gift-in-kind with a fair market value of more than \$5,000 must secure a qualified appraisal at their expense and should be advised of their responsibility to complete IRS Form 8283. Certain gifts may be subject to additional reviews and with the NCTF possibly choosing to sell or dispose of the property.
- 6.2 ***IRA Qualified Charitable Distributions (QCDs):*** Transfer of funds from a donor's traditional

or Roth IRA account directly to the NCTF. If an IRA QCD is accepted the NCTF will receipt and acknowledge as required by the IRS, with a statement that the gift qualifies as a qualified charitable distribution from an IRA and that no income tax deduction is available. IRA QCD's are recorded and acknowledged at their face value as of the date of transfer. Donors may request a designation that they wish the QCD to support. IRS rules prohibit donors from receiving any benefits in return for IRA QCD's including event tickets or tables, charity auction items, etc.

- 6.3 Real Property: Any undeveloped or developed land as well as the buildings and improvements attached directly to such land, including both residential and commercial property (e.g. homes, condominiums, apartment, or commercial buildings, commercial or agricultural land, oil, gas, and other mineral interests). Gifts of real property may be accepted on a case-by-case basis with final review and approval by the Executive Director and the Finance Committee. The NCTF will conduct the due diligence necessary to determine whether or not it will accept a proposed gift of real property. Certain property may be subject to additional reviews with the NCTF possibly choosing to sell the property.
- 6.4 Qualified Sponsorships: Payment of money, transfer of property, or performance of services by an individual or company ("Sponsor") where there is no arrangement or expectations that the Sponsor will receive any substantial return benefit, other than the use or acknowledgement of the sponsor's logo, name, product, or services. Sponsors may be individuals, corporations or other non-profit organizations that wish to sponsor a NCTF event or initiative. Qualified sponsors may be accepted on a case-by-case basis.
- 6.5 Restricted Securities/Other Business Interests: Non-publicly traded, difficult to sell, closely held, unmarketable securities, or ownership interests in non-corporate business entities, such as partnerships and limited liability companies. Gifts of restricted securities and other business interests may be accepted on a case-by-case basis by the Executive Director, with final review by the Finance Committee and approval by the Board of Directors. If a gift of restricted securities or other business interests is accepted, the Board of Directors will attempt to sell the securities or other business interest as soon as practical.

7. Cryptocurrency: Virtual currencies that are based on blockchain algorithms and are Publicly traded but not on a recognized exchange such as those on which stocks and bonds are traded.

- 7.1 These gifts may be accepted on a case-by-case basis by the Executive Director in consultation with the Finance Committee.
- 7.2 If the donor intends for the cryptocurrency to fulfill a pledge or support a naming opportunity and the market volatility of the specific cryptocurrency provides less real currency than the intended gift following the sale of the cryptocurrency, the donor may be asked to make up the difference.
- 7.3 The NCTF may accept cryptocurrency on its own, or it may utilize a third-party agent to accept the gift on its behalf. In either case, the NCTF will sell the cryptocurrency immediately upon receipt.

8. Commitments: Gifts that represent a donor's present intention to make a future gift can be straightforward or complex. They do not always require special review for acceptance, but they always require a written gift instrument. Commitments include:

- 8.1 Pledges: A good faith commitment to make a gift to the NCTF, as evidenced through a written gift instrument. Pledges may be accepted, administered, and acknowledged by the NCTF per the Levels of Giving designations and payments will be receipted and acknowledged as appropriate with the following pledge conditions: (i) they are no longer than five years unless an exception is made by the Executive Director or their designee; (ii) documented with an agreement, memorandum of understanding, or other written gift instrument that includes the terms and length of the pledge. (iii) should a donor not honor a pledge according to the terms and length set forth in the written documentation, the NCTF may then consider revising or eliminating the pledge; (iv) payments toward a pledge to establish an endowed fund will be held in suspension until at least the minimum endowment funding level is received per the Gift Acceptance Policy.
- 8.2 Bequests: A gift from a donor's estate that is made by including language in the donor's will or living trust indicating that the donor wishes to leave all or a portion of their estate to the NCTF. Bequests may be made for a specific amount, a percentage of the donor's estate, or for all or a portion of what is left after other bequests have been made. Donors who designate the NCTF as the beneficiary of a bequest in their estate planning documents are requested to (i) notify the NCTF to develop a gift agreement or other written documentation outlining the donor's wishes for the future gift at which time the Executive Director will work with the Finance Committee to address any unusual bequests or issues; (ii) receive from the NCTF, if applicable, estate planning language for the donor and their advisors to review and consider. Bequests will be counted as revocable until the estate is settled and the gift is received.
- 8.3 Charitable Gift Annuities: A contract between a donor and the NCTF, whereby the donor transfers cash or marketable property to the NCTF in exchange for a lifetime stream of income for one or more individuals. The NCTF may work with a third-party charitable organization that specializes in issuing Charitable Gift Annuities (CGAs), either for all CGAs or for specific CGAs, at the discretion of the Executive Director.
- 8.4 Split Interest Charitable Trusts: Two types of trusts where the NCTF is named as beneficiary:
(i) Charitable Lead Trust (CLT): an irrevocable trust that provides an income stream for the NCTF for a term of years or the life of one or more individuals with the remainder passing to the donor, a family member, or other non-charitable beneficiary, and (ii) Charitable Remainder Trust (CRT): an irrevocable trust that allows the donor and/or other beneficiaries to receive an income stream for a period of years or the life of one or more individuals, with the remainder of the assets passing to the NCTF. When there is a proposed gift of a CRT or CLT, a copy of the trust should be requested and received from the donor. CLTs are receipted as trust payments and received by the NCTF. CRTs are receipted upon receipt of the charitable remainder interest. CRTs may receive gift credit for the value of the trust's principal when created. The NCTF will consider trusteeship of a CRT or CLT on a case-by-case basis only, assessing both benefit and risk to the NCTF.
- 8.5 Retained Life Estates: An irrevocable gift where a donor irrevocably deeds a personal residence or farm to the NCTF while retaining the right to live in it for the rest of the donor's life for a term of years, or a combination of the two. The term is most commonly measured by the life of the donor or of the donor and the donor's spouse. At the end of the life estate, the NCTF can either keep the property for its own use or sell the property and use the proceeds for purposes designated by the donor.
- 8.6 Life Insurance Policies: Contracts with the life insurance companies that, in exchange for

premium payments, provide a lump sum payment to named beneficiaries upon the insured's death. Policies accepted are those in which the NCTF is named as a primary or contingent beneficiary or policies that the NCTF owns. In the case of the later it is required that the policy be (i) a whole or universal life policy with a death benefit of no less than \$50,000; (ii) a first – or – second to die policy; (iii) an irrevocable policy and complete ownership and control transferred to the NCTF. Accepted life insurance policies must be documented by a fully signed insurance gift agreement, a copy of which must be on file with the NCTF which includes a minimum NCTF acknowledgement of ownership of the policy and the right of the NCTF to cash the policy.

- 8.7 ***Retirement Plan Assets:*** Funds held in retirement savings accounts, such as 401(k), 403(b), IRA, and other qualified retirement plans. Donors may designate the NCTF as the beneficiary of their retirement plans on their beneficiary designation forms, and the NCTF may accept such gifts. The NCTF must work with the donor to develop a gift agreement or other written documentation outlining the donor's wishes for use of the gift when received. Retirement plan beneficiary designations will be counted as revocable until the gift is received.
- 8.8 ***Endowments:*** Funds held in perpetuity that make annual distributions according to a spending policy to further the NCTF's mission. An endowment may be a (i) Permanent Endowment in which a donor, donor's estate, or group of donors intends to endow a fund and the NCTF works with the donor, donor's estate, or group of donors to document the gift(s) to include a description of the gift and the proposed endowment fund along with any donor restrictions. (ii) Quasi-Endowment in which funds are managed by the NCTF's endowment portfolio at the discretion of the Board of Directors with guidance provided by the Board as needed. The Executive Director may recommend funds for quasi-endowment for Board approval.
- 8.9 ***Endowment Modifications:*** If circumstances no longer allow for the effective administration of a gift or endowment fund according to its original terms, the NCTF will first consult the donor to determine a modified use of the gift under the changed circumstances. If the donor is not available, the Board of Directors may, in its discretion and in consultation with the Executive Director, modify the terms of the agreement to carry out, as nearly as circumstances permit, the original intent and purpose of the donor.

Should extenuating circumstances require closure of an endowment fund, the NCTF will first consult the donor to determine a current and immediate use of the fund balance. If The donor is not available, the Board of Directors may, in its discretion and in consultation with the Executive Committee, direct the current and immediate use of the fund balance to carry out, as nearly as circumstances permit, the original intent and purpose of the donor. Fund closures, whether initiated by the NCTF or by the donor, must be approved by the Board of Directors.

History:

Originally Adopted: January 26, 2005
Supplemented On: October 13, 2008
Revised On: March 18, 2025