

GIFT ACCEPTANCE POLICY (F-G1)

Approved: *November 16, 2017*, Foundation Board

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Approved: *October 13, 2017*, Foundation Board

POLICY: It is the policy of the Baptist Homes Foundation (hereinafter “BHF”) to formalize the gift acceptance policy as it relates to the acceptance and disposition of the variety of gifts made to the organization to support the work of the Baptist Homes Society (hereinafter “BHS”). It is the responsibility of the Vice President of Development, the CFO and the BHF Board of Directors to ensure that the provisions of this policy are followed.

I. Introduction

BHF has developed this policy to:

- A. Assure that BHF conducts fundraising activities in an ethical and responsible manner;
- B. Clarify the types of gifts it will accept to help achieve its stated mission; and
- C. Assure consistency and fairness, which protect both the donor and BHF.

It is BHF’s intention to keep its supporters advised of what gifts are mutually beneficial and how BHF stewards those gifts.

II. Tax Status

- A. By a tax determination issued in November 1944, and reaffirmed in January 2008, the Internal Revenue Service, Department of the Treasury has determined that BHS (Tax ID No. 25-0339430) is exempt from Federal Income Tax under the provisions of section 501(c)(3) of the Internal Revenue Code.
- B. By a tax determination issued in February 1985, and reaffirmed in May 2012, the Internal Revenue Service, Department of the Treasury, has determined that BHF (Tax ID No. 25-1469243) is exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code.

III. Mission Statement

To provide the highest quality of living for all those we serve, while uplifting one person at a time.

Baptist Homes Foundation is committed to generating the resources necessary to carry out the mission of Baptist Homes Society.

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IV. Vision Statement

Seniors in our community will experience the most fulfilling life possible.

V. Values Statement

BHS has identified these value statements that express our organization's core beliefs:

Faith: Rooted in our heritage, we are called to express Christian love for all, to be a witness to God's love, to be responsible members of our community, and good stewards of all the resources which have been entrusted to us.

Benevolence: Combining sound fiscal management with the highest quality of services, we offer as many of our services to those in financial need as is consistent with prudent stewardship.

Service: We are called to excellence in our service. We believe in growth which responds to current needs, anticipates the challenges of the future, and enhances the basic values and character of our ministry. Every person who is a part of our family, including residents, employees, families, volunteers, and visitors, is to be treated in a loving, respectful manner consistent with our Christian teachings about the special value of each individual. We strive to foster self-esteem and integrity among all members of our family.

Ethics: Our high regard for Christian ethical behavior is to be reflected throughout the organization including relationships with residents, their families, employees, communities, and those with whom we do business.

Wellness: We affirm the right of all individuals in our communities to achieve their highest level of well-being in mind, body and spirit. We are committed to providing an environment that encourages and supports the components of wellness: physical, emotional, spiritual, social, intellectual, and community.

VI. Compliance with Federal, State and Local Law and Accepted Accounting Principles

- A. It is BHF's intention to conform to all federal, state and local laws and to employ all generally accepted accounting principles related to solicitation of charitable funds, receipting and fund disbursement.
- B. BHF shall comply with all federal tax law, including the Internal Revenue Code, as amended by The Pension Protection Act of 2006, and all Internal Revenue Service ("IRS") regulations regarding gift substantiation and disclosure.
- C. BHF shall issue disclosure statements to all donors of trusts and appropriate planned gifts in accordance with the rules set forth in The Philanthropy Protection Act of 1995, 15 U.S.C. § 80a-51 et. seq., as amended.
- D. BHF shall comply with the Charitable Gift Annuity Exemption Act, 10 P.S. § 361 et. seq., which defines the terms under which charities in Pennsylvania may issue charitable gift annuities.
- E. BHF shall comply with the Solicitation of Funds for Charitable Purposes Act, 10 P.S. § 12.1 et. seq., and the following statement will appear on solicitations and publications:

"A copy of the official registration and financial information of Baptist Homes Foundation may be obtained from the

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Pennsylvania Department of State by calling toll free, within Pennsylvania, 1-800-732-0999. Registration does not imply endorsement."

- F. BHF shall register with the Pennsylvania Bureau of Charitable Organizations ("Bureau") as may be required, adhere to all rules set forth by the Bureau, and submit to the Bureau an annual report detailing the financial status of BHF as required.

VII. General Fundraising and Solicitation Policy

- A. The Vice President for Development has the ultimate responsibility for all fundraising for BHF and shall be accountable to the President & CEO and the BHF Board. The Vice President for Development may delegate fundraising authority as necessary with the approval of the President & CEO.
- B. Only an authorized BHF employee or volunteer may solicit support for BHF.
- C. BHF shall not engage in commission-based fundraising.
- D. BHF shall endeavor not to spend more than fifteen (15) percent of its realized donations on fundraising expenses; Realized donations shall include the present value of planned gifts irrevocably committed to BHF.
- E. BHF shall assure that all representations made in promotional, fundraising, and other public information materials are accurate and not misleading with respect to BHF's accomplishments, activities and intended use of funds.
- F. In fundraising and solicitation materials, BHF shall clearly state whether funds will be used for general purposes or restricted projects. Membership appeals or other campaigns for general support shall indicate that the contribution will go to aid the general operations of BHF. Appeals for special projects should describe the project for which funds are being sought.
- G. BHF shall advise donors and prospective donors in writing to seek independent legal, tax and financial advice regarding substantial and/or planned gifts.
- H. BHF shall make no assurances as to whether a particular gift or donation will be deductible, what monetary value of the gift the IRS and/or state will accept, what the resulting tax benefits of the deduction will be, or whether the donor's appraisal is accurate, unless the appraisal value seems substantially overstated.
- I. If BHF uses a survey as a fundraising device, it shall clearly indicate that the recipient has no obligation to return it.
- J. Prior to entering into an agreement to allow commercial entities to use BHF's logo, name or properties, BHF shall determine that these agreements will not impair the credibility of BHF. BHF and the commercial entity shall publicly disclose how BHF benefits from the sale of the commercial entity's products or services.
- K. BHF shall provide "Instructions for Making Gifts," and update them periodically, to aid donors and prospective donors in making timely gifts. (See Exhibit A).

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VIII. Policies Concerning Restrictions Imposed By Donors Upon Gifts to BHF

- A. Unrestricted Gifts. BHF's primary fundraising goal is to obtain unrestricted dollars to support its mission and any special initiatives undertaken by it. Unrestricted gifts may be added to the annual budget to fund current operations or added to the endowment fund.
- B. Named Funds. Gifts of \$50,000 or more, or gifts of \$100,000 or more, payable over five (5) years, are required to establish a permanently restricted Named Fund to generate income to support a specific or unrestricted component of BHF's mission. A BHF Named Fund is characterized as a "Donor Advised Fund," as defined by IRC § 4966(d)(2). Only gifts or pledges of cash and securities (including stocks, bonds, etc.) and other cash equivalents will be directed to accounts for donor designated purposes or restricted gifts. Requests to establish such funds are handled on an individual basis.
- C. Restricted Gifts. BHF will accept gifts from contributors who wish to restrict the use of a gift provided:
1. The gift restriction is either for (i) an existing program, (ii) the endowment fund, or (iii) a new program, or population(s) for which there is a demonstrated need acceptable to BHF;
 2. BHF believes it can work within the gift parameters;
 3. The restriction does not have the potential of becoming administratively onerous or expensive in the future; and
 4. The value of the gift is \$10,000 or more; unless determined to be important from a mission standpoint by the Vice President for Development, the President & CEO or the Board.

NOTE: BHF must approve in advance all restricted gifts. The language used in creating a restricted gift should allow BHF to apply the gift to another purpose if, in the opinion of the BHF Board, the designated purpose is no longer feasible or if the BHF Board determines that BHS purposes would be better served by using the gift in another way. The following or similar language may be used to permit such a vote:

"Should the purpose designated for my gift no longer exist or become impractical in the opinion of Baptist Homes Foundation Board, I direct that the Board redirect my gift to a related purpose or purposes which, in its opinion, most nearly accomplishes my wishes while meeting a then-current need of Baptist Homes Society."

- D. It is the policy of Baptist Homes Society to provide services to all people regardless of race, color, religion, ancestry, national origin, age, gender, sexual orientation, or marital, familial or disability status, or status as a covered veteran, or any other legally protected group status. Gifts will not be accepted if restrictions on the gift violate this policy in any way.

IX. Solicitation and Acceptance of Non-Cash Gifts

- A. Subject to the provisions of Section X, non-cash gifts may be accepted by BHF. Acceptance of non-cash gifts is reviewed on an individual basis.

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- B. BHF shall accept gifts of (i) tangible personal property (e.g. furniture, paintings, books, etc.), (ii) real property, and (iii) in-kind services after careful consideration. If a gift involves additional expense for display, maintenance, or administration of the property, it will be accepted at the discretion of the Vice President for Development, who may consider whether (i) the expense is reasonable and/or (ii) the donor has provided additional funding to mitigate the additional expense, and (iii) the gift helps or relates to BHF's mission.
- C. Sale of Gifted Assets. Except in those instances where BHF specifically agrees to the contrary in writing when accepting the gifted assets, BHF reserves the right to sell any non-cash asset, regardless of its historical value, if such sale is in the best interests of BHF. Before selling an asset, BHF will make reasonable efforts to honor the donor's original intention.
- D. Tangible Personal Property. Gifts of tangible personal property will not be accepted if made on the condition that the property will be loaned back to the donor, or the donor's designee, for any period of time. Furthermore, a gift of artwork will only be considered for acceptance if it has a fair market value in excess of \$5,000 as substantiated in writing by a qualified third-party appraisal and: i) may be sold immediately to generate a cash gift as stipulated in Paragraph C above, or ii) is suitable for mission-related use in a BHF facility.
- E. Real Estate. See Section X.
- F. Securities. BHF may accept gifts of listed securities or securities traded over the counter. Privately held securities (i.e., securities not traded on an exchange or over the counter) may be accepted if the valuation of the securities can be substantiated through other sale prices or by expert appraisal and if the security can be readily liquidated if so desired.
 - i. BHF's general policy is to sell donated securities as soon as possible and place the net proceeds of the sale in the appropriate account. BHF reserves the right to retain donated securities that complement current portfolio objectives.
- G. Life Insurance. Gifts of life insurance are encouraged to assist in building BHF's endowment. Gifts of life insurance with cash values are booked and recognized at their cash surrender value in the year in which BHF becomes the irrevocable owner and beneficiary of that life insurance policy. Gifts of beneficial-only interests in life insurance policies will not be booked because of the revocable nature of the gift; however, these gifts will be noted and recognized as expectancies.
 - i. BHF will not participate in any life insurance program that involves borrowing funds to purchase any life insurance policy that names BHS and/or BHF the policy beneficiary and/or owner.
 - ii. BHF will not consider participating in any insurance program that has not provided at least three references from long-established, reputable charities who can document the returns claimed by the insurance carrier/agent/representative.

X. General Policy Concerning Gifts of Interest in Real Property

- A. BHF shall have the absolute right to accept or refuse any gift of real estate. Factors which may affect BHF's decision include, but are not limited to, encumbrances, zoning, easements, environmental problems, and marketability.

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- B. Gifts of real estate, including easements and other partial interests, may be accepted subject to final approval by the BHF Board, its Executive Committee, or the BHS Board or its Executive Committee.
- C. A donor who contributes a partial interest in real property shall agree to be responsible for all maintenance expenses and all real estate taxes on the property.
- D. Prior to accepting a gift of real property or an interest in real property, BHF shall secure pertinent information about the proposed donated property. The information should describe debt and other encumbrances, zoning, sewage, water, other utilities, access, easements, location, environmental concerns, and other issues affecting the property. Costs associated with acquiring such information are usually borne by the donor.
- E. BHF shall not accept a gift of real property without a physical inspection of the property by BHF. Whenever possible, photographs or a video of the property will be secured and kept on file with other property-related documentation.
- F. BHF shall secure title insurance for the gift value of the property. General liability and, if applicable, all risk property insurance shall be secured by BHF for the property.
- G. The donor shall be responsible for securing an appraisal of the property and forwarding a copy of the appraisal to BHF for the property. To protect a potential charitable deduction for the donor resulting from the gift, the appraisal shall be a “qualified appraisal,” as defined by the IRC § 170(f)(11)(E) and the relating regulations in § 1.170A-14(c)(3)(ii).
NOTE: BHF reserves the right to obtain an independent qualified appraisal of the property. If BHF has the property appraised, BHF shall decide if its appraisal or the donor’s appraisal more accurately reflects the fair market value of the property for its purposes and, in the case of a discrepancy, which appraisal to use. The donor may be required to make additional representations about the property in writing.
- H. Gifts of real estate with restrictions upon the ultimate sale of the property may be accepted only with the approval of the BHF Board.
- I. Gifts and devises of real property must comply with BHF’s Environmental Assessment Standards (Exhibit B).
- J. BHF shall not accept mortgaged property as a general rule unless the donor agrees in writing to accept the obligation for its payment and unless receipt of the gift will not result in unrelated business taxable income (UBTI), as defined in the IRC, which could jeopardize the tax-exempt status of a trust or place BHF in an unfavorable tax position. Waivers and exceptions to this policy may be made by the Vice President for Development acting with the authorization the President & CEO and/or BHF Board.

XI. Accountability to Donors

- A. Gift Receipt. For accounting purposes, the BHS finance office shall receive and deposit all cash contributions received by BHF.
- B. Gift Acknowledgment. The BHF office shall record and acknowledge all contributions within five (5) business days of receipt. The official acknowledgment shall include the following information:
 - 1. Name and address of the donor, date of the contribution, special memorials, commemorations or acknowledgements, and the amount of the gift (for cash gifts,

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the dollar amount received, or for non-cash gifts, including land personal property, a description of the gift, but no estimate of the value should be given. Refer to Section IX; the purpose for which the gift is to be used; and a description and good-faith estimate of the fair market value of any goods or services provided in exchange for the contribution. If the donor received nothing in return for the contribution, the acknowledgement must say so. [For contributions to establish a BHF Named Fund that qualifies as a Donor Advised Fund, as defined in IRC § 4966(d)(2), the receipt shall additionally include: (i) language that states that BHF has exclusive legal control over the assets contributed, and (ii) a statement that any allocation recommendation made by the donor is advisory only and not binding on BHF.]

2. BHF shall include any other information that may be required by federal or state authorities. BHF will cooperate with donors to properly report and substantiate all donations.
 3. Credit. For tax reporting purposes, all gifts and/or payments made with a corporate/business check shall be credited to the corporation/business account, and not to the account of the individual donor.
 4. Donors may use a receipt as a record of a contribution to BHF for purposes of taking a charitable contribution deduction pursuant to the IRC. BHF shall not guarantee that a donation will result in a valid charitable contribution deduction.
 5. ***Prior to closing any planned or major gifts, donors shall be urged, in writing, to consult their own legal and/or tax advisors to ensure a charitable contribution deduction is allowable under the Internal Revenue Code (hereinafter, "IRC").***
- C. Record-Keeping Practices. BHF shall keep accurate records of donations received, how donated funds are spent, and of written gift substantiations.
- D. Anonymous Gifts. Every effort will be made to honor a donor's wish to remain anonymous. Donors should state that intention in writing to BHF at the time a gift is made.
- E. IRS Circular 230 Disclaimer. In every initial written correspondence with donors or prospective donors discussing the benefits associated with planned gifts, in addition to other disclaimers referenced in this policy, BHF shall always state:
- "Any U.S. federal tax references contained herein are not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein."*
- F. Major Gift Recognition. The BHF President's Circle recognizes donors who have made the highest annual gift commitments to BHF. Donors who make a contribution of \$1,000 or more in any calendar year become members of the President's Circle for that year. A substantial one-time donation may result in lifetime membership. Donors who notify BHF in writing that they have included BHF or BHS in their estate plan (as a beneficiary of a will, trust, gift annuity, charitable trust, or insurance policy) become members of the BHF Legacy Society (regardless of the amount of the gift) and remain members so long as the commitment/pledge remains in effect. Membership entitles the donor to de minimis benefits that may include: briefings on important healthcare or retirement planning issues; an invitation to an annual "members only" special event and recognition in BHF-related

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publications and websites. The qualifications and benefits associated with President's Circle and Legacy Society membership may be revised from time to time by the Vice President for Development after consulting with the President & CEO and BHF Board.

XII. Valuation of Gifts to BHF

- A. In valuing gifts for booking purposes, BHF will follow generally accepted accounting principles. For tax purposes, BHF shall follow the requirements of state and federal taxing authorities. Donors must obtain their own valuations for tax purposes.
- B. Securities. For securities for which there is a market, the value of the gift is the mean between the highest and lowest quoted selling prices on the date of delivery. For mutual fund shares, the fair market value is the redemption (bid) price. When there are no sales on the date of delivery, but there were sales within a reasonable period before and after delivery, value is the weighted average of the mean between the highest and lowest sales on the nearest trading dates before and after delivery.
- C. Irrevocable gifts in trust will be recorded on the gift system to conform with Financial Accounting Standards Board rules if BHF serves as trustee and is an irrevocable beneficiary. Irrevocable gifts in trust will not be entered into the gift system but shall be footnoted in BHF's audited financial statements if BHF does not serve as trustee or is a revocable beneficiary, if proper documentation has been secured; such trusts shall be recognized in a manner so as to encourage others to consider this form of planned gift. BHF will also log for informational purposes the number and approximate face and remainder values of all of its planned gift expectancies.
- D. BHF shall use the following guidelines to determine the date a gift is delivered or valuation and tax purposes:
 1. **Gifts of Securities.**
 - a) When securities are mailed directly to BHF, the delivery date is the date of mailing, through the U.S. Postal Service, of the stock power or the certificates, whichever is later.
 - b) If securities are hand-delivered, including delivery by commercial means such as Federal Express, the delivery date is the date they are received by BHF.
 - c) If the securities are delivered by the donor's bank or broker, as the donor's agent, or to the issuing corporation with instructions to reissue the securities in BHF's name, the delivery date is the date the securities are transferred to BHF's name on the corporation's books.
 - d) Securities mailed to BHF's broker or agent are delivered when mailed or when the stock powers are mailed, if that date is later, unless they are not received in the ordinary course of the mails.
 - e) Securities hand-delivered to BHF's broker are delivered when received by the broker.
 - f) Securities transferred by wire (DTC) are not delivered until such time as they physically reside in BHF's account and are controlled by BHF.

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2. Gifts by Check.

- a) If mailed, the date of mailing is the delivery date if the check clears in a timely manner.
- b) If hand-delivered, the date is the date the check is received by BHF, if the check clears in a timely manner.

3. Gifts of Artwork and Other Tangible Property.

The delivery date is the date the property is received by BHF.

4. Gifts of Real Estate.

The delivery date is the date title is legally transferred to BHF via signed deed.

XIII. General Policies Concerning Gift Planning

- A. A planned gift usually involves a major outlay of capital (as opposed to annual income) and may result in the donor receiving income. Typical planned gifts include, among others, charitable trusts, gift annuities, insurance, bargain sales and beneficiary designations in testamentary documents.
- B. BHF's Vice President for Development, in consultation with its President & CEO and CFO is authorized to negotiate planned gifts.
- C. It is the policy of BHF to advise donors in writing to consult with their personal legal and/or financial advisors before entering into a planned gift arrangement. BHF will also notify donors in writing that BHF will not offer legal or tax advice to donors.
- D. No BHF employee or representative will provide estate planning or tax advice to anyone, nor draw up a will or living trust. BHF's employees and/or representatives may suggest language to be included in wills and trusts and may provide sample language for planned giving agreements for consideration by the donor and his/her advisors.
- E. When negotiating potential planned gifts, BHF's authorized staff, as set forth in Paragraph B above, shall do the following:
 1. Obtain basic planning information from donors and communicate relevant data;
 2. Negotiate with donors and their advisors;
 3. Produce appropriate computations and other documentation;
 4. Implement planned giving agreements and distribute any income to the proper parties; and
 5. Liaise with donors and beneficiaries concerning the operation of trusts her planned giving arrangements.
- F. In an effort to assure compliance with applicable law, all planned giving documents, including but not limited to contracts, trust agreements, administration agreements, and letters of understanding, may be subject to review and approval by BHF's legal counsel.
- G. To insure the integrity of BHF's mission, to assure charitable intent, and to avoid potential conflicts of interest, planned gift vehicles and/or investment strategies suggested for or by a donor will be reviewed carefully prior to execution of the gift.

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- H. Payout rates offered for charitable remainder trusts will comply with current IRS regulations and BHF Policies. Payout rates offered for deferred gift annuities and immediate gift annuities will not exceed the rates recommended by the American Council on Gift Annuities. The President & CEO and BHF and/or BHS Boards shall be responsible for determining investment strategies for all endowment and life-income funds.
- I. Before any donor enters into an irrevocable planned gift, BHF shall make every effort to assure that the donor understands the irrevocable nature of the gift.
- J. Planned giving agreements are subject to the following requirements:
1. **Gift Annuities:** \$10,000 minimum when the gift is based on the American Council on Gift Annuity Rates. An income beneficiary cannot be less than sixty-two (62) years old when income payments commence. The maximum number of income beneficiaries shall be two (2). The minimum age for an income beneficiary for deferred gift annuities shall be fifty-five (55).
 - a. Distributions to income beneficiaries shall be as follows: For gift annuities with a face-value of less than \$50,000, payments shall be made quarterly. For gift annuities with a face-value greater than or equal to \$50,000, payments will be made monthly. All payments must be made electronically to an income beneficiary's bank or brokerage account.
 2. **Charitable Remainder Trusts for One or More Lives or for a Term Exceeding 8 Years:** \$250,000 minimum gift and twenty percent (20%) minimum net projected remainder value.
 3. **Charitable Remainder Trust for a Term of 1-8 Years:** \$100,000 minimum gift and twenty-five percent (25%) minimum net projected remainder value.
 4. **Charitable Lead Trusts:** \$500,000 minimum and payouts that conform to IRS regulations.
- NOTE:** When real property is used to fund planned gifts that provide income to the donor, the payout rate shall be adjusted downward to reflect the cost associated with selling such property, unless the donor agrees to pay all sales costs. The charitable deduction would still be based on the fair market value of the real property as determined by a third-party qualified appraiser.
- K. Exceptions to these planned gift guidelines must be proposed by the Vice President for Development and/or President & CEO with input from the CFO. These planned gift guidelines may be changed at any time by BHF. Amendments to these policies must be approved by BHF's Foundation Board. Only the Vice President for Development and President & CEO are authorized to sign planned giving agreements on behalf of BHF.
- L. BHF shall maintain the confidentiality of all information gathered in negotiating and preparing a planned gift. No information shall be disclosed without the written consent of the donor except as necessary to administer the gift.

XIV. Bequests

- A. It is BHF's policy to encourage persons to support BHF by making the Baptist Homes Foundation a beneficiary in wills and trusts.

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- B. It is BHF's policy to direct all unrestricted bequests and other testamentary gifts to its board-designated Endowment Fund for the purpose of generating income to provide benevolent care to those unable to afford it.
- C. The following language may be used to direct testamentary gifts to BHF:
1. **Contingent Bequest:** *"I give and bequeath the residue of my property, real and personal, and wherever situated, to my spouse (name), if he/she survives me. If my spouse does not survive me, I give and bequeath my residuary estate to Baptist Homes Foundation, located at 489 Castle Shannon Boulevard, Pittsburgh, PA 15234, tax identification number 25-1469243, to support the mission of Baptist Homes Society."*
 2. **Direct Bequest:** *"I give and bequeath the sum of \$_____ to Baptist Homes Foundation, located at 489 Castle Shannon Boulevard, Pittsburgh, PA 15234, tax identification number 25-1469243, to support the mission of Baptist Homes Society."*
 3. **Gifts of Residue of Estate:** *"I give and bequeath the residue of my property, real and personal and wherever situated to Baptist Homes Foundation located at 489 Castle Shannon Boulevard, Pittsburgh, PA 15234, identification number 25-1469243, to support the mission of Baptist Homes Society."*
 4. **Gifts of Limited Size of Bequest:** *"I give and bequeath the sum of \$_____ or _____ percent of my adjusted gross estate as finally determined for federal estate tax purposes, whichever is less, to Baptist Homes Foundation located at 489 Castle Shannon Boulevard, Pittsburgh, PA 15234, tax identification number 25-1469243 to support the mission of the Baptist Homes Society."*
- D. It is the policy of BHF to advise donors in writing: **"Always consult with your attorney concerning the best way for you to provide for BHF in your estate plan."**

XV. Policy Regarding BHF or BHS Serving in Trustee/Executor/POA Positions

- A. BHF will not act as trustee of an estate or gift, nor will it serve as executor of an estate or will.
- B. It is the policy of BHF and BHS to enforce the regulatory prohibition that no employee, (unless for an immediate member of family), member of the Board, or anyone having a financial interest in the BHF or BHS may assume power of attorney for a resident, unless ordered by a court of competent jurisdiction.
- C. Except as provided in this section, no BHF employee may act as power of attorney for any donor or as executor or executrix of any estate where BHF is a beneficiary.
1. A BHF employee may act without compensation as an executor or executrix if BHF is the sole beneficiary of the estate.
 2. Employees may act as power of attorney, executor or executrix if the donor is a relative or if a personal relationship existed between the donor and employee before and outside of the employee's connection with BHF.
 3. Employees must notify BHF and receive the consent of BHF's Vice President for Development and BHS' President & CEO before acting in such capacity.

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Exhibit A

INSTRUCTIONS FOR MAKING GIFTS

GIFTS OF CASH

Checks should be made payable to Baptist Homes Foundation (BHF) and forwarded to 489 Castle Shannon Boulevard, Pittsburgh, PA 15234. You should clearly indicate your intentions regarding your gift in accompanying correspondence and with a notation on the check.

In order to make it easier for donors to support BHF and the Baptist Homes Society (BHS), gifts can be made by major credit card by calling 412-489-3503, or via PayPal at our website at www.baptisthomes.org. For more information, please contact 412-489-3503.

Some banks and savings institutions permit gifts to be made by telephone or on a schedule arranged by you and your bank. You should contact your personal financial institution for more information on this way to support BHS through BHF.

GIFTS OF SECURITIES (Transfer Instructions)

Contact your broker or the transfer agent to transfer ownership from you to BHF via BHS.

First, inquire if BHF or BHS already has an account with your broker; that could expedite transfer. Next, at the same time your broker/transfer agent is notified, send a letter to the attention of: Chief Financial Officer, Baptist Homes Society, 489 Castle Shannon Blvd., Pittsburgh, PA 15234 stating your intentions regarding your gift. Be sure that the letter states your intention to transfer securities, the securities to be transferred, and where you would like the proceeds directed so that BHF is alerted to book the gift for proper tax credit when received.

To transfer directly from broker to broker: Please contact BHS' Chief Financial Officer at 412-563-8264 for instructions on how to transfer ownership to BHF. No wire transfers will be accepted without prior formal notification.

Via Mail: Unendorsed certificates may be sent to the address listed above by registered mail. At the same time, the executed stock powers should be sent separately to the address listed above. Stock certificates may also be delivered by hand. You may obtain copies of the required stock power from a bank, broker, BHS or the BHF website.

Delivery to a bank or broker: Unendorsed certificates and executed stock powers may be sent to a bank or broker for the account of Baptist Homes Society. The bank or broker should be requested to immediately telephone BHS Chief Financial Officer at 412-563-8264 for instructions as to the disposition of the securities.

BHF recommends that neither it nor BHS be indicated as "transferee" on the assignment form on the back of the stock certificate or on the stock power, and that the stock not be sent to a transfer agent for registering in BHS' or BHF's name. These unnecessary procedures usually result in needless delay and expense.

Approved: *October 13, 2017*, Foundation Board

Exhibit B

ENVIRONMENTAL ASSESSMENT STANDARDS

Assessment Standards.

1. BHF Environmental Assessment Standards require a Phase I Environmental Site Assessment (Phase I Audit) before BHF acquires any interest in real property. *When possible, the donor is expected to bear the cost of any environmental audit.*

The President & CEO may waive a Phase I Audit in the following circumstances:

- A. A satisfactory current Phase I Audit has already been completed.
- B. The property is located within Western Pennsylvania in a rural area; there is evidence of many years of continuous residential usage for the property; and BHF has a current Pre-Phase I Audit indicating there are no environmental problems.
- C. The property is located within Western Pennsylvania in an urban area; there is evidence of many years of continuous residential usage for the property; and BHF has no reason to suspect environmental problems.

Waivers should be granted only in unusual circumstances; BHF may assume the cost of the Phase I Audit rather than waive.

If the Phase I Audit reveals possible environmental contamination, BHF may decide not to accept the gift or may decide to proceed with a Phase II Environmental Site Assessment (Phase II Audit). After completion of the Phase II Audit, BHF shall assess the environmental concerns raised in the environmental audits and decide whether to accept the gift.

2. Definitions.

The Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) imposes liability associated with environmental contamination of property on the current property owner as well as past property owners. Under CERCLA, the purchaser of a property with existing environmental contamination is financially liable for cleanup of contaminated property even though s/he may have done nothing to contribute to the contamination.

In 1986, the federal government passed the Superfund Amendments and Reauthorization Act (SARA), which allows the owner, operator, or any other party to prove that it did not contribute to the environmental contamination of the property and, therefore, is an innocent landholder. SARA establishes and loosely defines the due-diligence environmental assessment. An environmental assessment is the systematic approach of identifying, verifying, and documenting the environmental condition (contamination) of a property prior to acquisition. Section 101 of SARA implies that the buyer is protected as long as s/he has undertaken, prior to closure, *“all appropriate inquiry into previous ownership and uses of the property consistent with good commercial or customary practice in an effort to minimize liability.”*

Because of the financial/legal implications surrounding the question of what is “all appropriate inquiry into previous ownership and uses of the property consistent with good commercial or customary practice in an effort to minimize liability,” the American Society for Testing and Materials (ASTM) developed a standard (ASTM Practice E 1527-94) for conducting Phase I Environmental Site

GIFT ACCEPTANCE POLICY (F-G1)

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Assessments (Phase I Audit). Conduct of a Phase I Audit in accordance with this ASTM method has become the accepted standard.

The Purpose of a Phase I Audit is to identify recognized environmental conditions in connection with the property. A Phase I Audit has four components: (1) records review; (2) site reconnaissance; (3) interviews with current property owners and site occupants; and (4) evaluation and report. The Phase I Audit does not include any sampling or testing of materials. The Phase I interviews and site reconnaissance, review and interpretation of information upon which the report is based, and oversight of the writing of the report are all to be performed by an environmental professional(s).

If the Phase I Audit reveals the possibility of environmental contamination, a Phase II Environment Site Assessment (Phase II Audit) is undertaken to confirm or refute the presence of contamination by means of performing environmental sampling. The ASTM method for a Phase II Environmental Site Assessment is ASTM Designation E 1903-97. The environmental sampling program generally is tailored to target the suspect area(s) and contaminant(s) of concern.

Because of the wide variability of circumstances/conditions which may lead to the conclusion that there is a possibility of environmental contamination in a Phase I Audit Report, BHF may elect to obtain a sample collection from the suspect areas before proceeding with a full Phase II Audit. The decision regarding how to proceed will be determined by BHF with input from one or more outside environmental professionals.

It is important that the Phase II Audit be tailored to address the area(s) of concern revealed in the properly conducted and documented Phase I Audit. The Phase II Audit should be developed/implemented and completely documented. Documentation should not only state what was done and the findings, but also provide the rationale for the investigation process based upon the site conditions discovered and documented during the Phase I Audit.

A Pre-Phase I Audit (defined as the Transaction Screen Process [ASTM Designation E 1528-06]) and also known as the Standard Practice for Limited Environmental Due Diligence) uses environmental assessments and ASTM transaction screen questionnaires, interviews and inspection results and findings, and governmental regulatory records as related to potential environmental concerns to identify conditions indicative of releases and threatened releases of hazardous substances and/or petroleum products on, at, in, or adjacent to the property. ASTM terms such conditions recognized environmental conditions (RECs). The objectives of a Pre-Phase I Audit are (1) to identify, within limits, the environmental concerns, or potential environmental concerns of the property under assessment; (2) to provide general information about site conditions; and (3) to offer an opinion about areas believed to be RECs and any obvious data gaps.

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Exhibit C

PROVIDENCE POINT HOUSE ACCEPTANCE POLICY TO FUND A CHARITABLE GIFT ANNUITY

In order to simplify the transition from a single family residence to becoming a valued member of our Providence Point community, we offer a tool that allows persons to exchange their home for a lifetime income, credit toward their entrance fee and the ability to leave a legacy.

Known as a charitable gift annuity, this tool is a simple contract between one or two individuals, age 60 or older, and the Baptist Homes Foundation. Providence Point is the only regional retirement community that accepts real estate to fund a gift annuity.

In addition to the benefits associated with not having to go through the strenuous process of selling your home, our house acceptance program offers other advantages that might be of interest to prospective residents, such as tax deductions and the creation of a charitable fund in honor of you or a loved one that supports the work of the Baptist Homes Society.

How the program works:

1. Notify our sales team in writing that you would like to participate in the program;
2. A member of our team will visit your property and provide a preliminary indication of our willingness to accept the property;
3. The fair market value of any house accepted in the program must be at least \$100,000 as determined by a third-party qualified appraisal;
4. The donor must pay for the cost of the appraisal, the cost of which may be deductible for federal charitable income tax purposes;
5. Gift annuity payments will be based on 80% of the fair market value of the gifted property with the remaining 20% will be allocated as follows:
 - a. 10% for Provident Point related closing costs;
 - b. 7% for Providence Point Realtor fee; and
 - c. 3% for holding related costs
6. Annuity payments are based on the age and number of income beneficiaries;
7. The gift annuity will pay an individual or an individual and a spouse a lifetime monthly income stream based on American Council of Gift Annuity rates;
8. Annuity payments will commence no sooner than one year and a day after the gift date (the date where payment has been physically received by BHF or BHS);
9. The charitable remainder component of the annuity will be credited to the applicant's entry fee;
10. The applicant will be entitled to a federal charitable income tax deduction for the charitable component of the annuity.

If you would like to learn more about this program, please contact Jack Miller at 412-489-3502.