Optica Foundation Gift Acceptance Policy

I. Purpose. This gift acceptance policy (“Policy”) governs the Optica Foundation’s acceptance of gifts and provides guidance to the Foundation’s staff and Board of Directors as they solicit and evaluate donations. This Policy is not intended to provide legal or tax advice to donors or their professional advisors. Donors should seek their own legal or tax counsel before making a gift.

II. Use of Legal Counsel. While most gifts will be routine and will likely not require involvement of legal counsel, the Optica Foundation may engage legal counsel to assist with gifts in the following circumstances:

a. To review any restricted gifts, including closely-held securities;

b. Where Optica or the Foundation is named as a trustee in a document;

c. All transactions governed by contracts or other legal documents requiring Optica or the Foundation to assume an obligation;

d. Gifts of real estate;

e. Pledge agreements;

f. All transactions with potential conflicts of interest; or

g. Transactions in which the Optica Foundation Board members, or a committee thereof, believes that the use of counsel is appropriate.

For non-standard gifts, in order to avoid any conflicts or potential conflicts of interest, the Foundation encourages prospective donors to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate tax planning consequences.

III. In General. The Optica Foundation gratefully accepts gifts that are consistent with this Policy and with the Foundation’s and Optica’s mission. The Optica Foundation is unable to accept any gifts that:

a. Are counter to or beyond the scope of the mission of Optica or the Foundation;

b. Violate the terms of Optica’s or the Foundation’s founding documents;

c. Would jeopardize the Foundation’s status as an exempt organization under federal or state law;

d. Are too difficult or expensive to administer; or

e. Could damage the Foundation’s reputation.

Subject to Section IV, all final decisions on the acceptance or refusal of a gift will be made by the Foundation Board of Directors or a committee thereof authorized by the Board to make such decisions (the “Board”).

IV. Policy Regarding Specific Types of Gifts.

A. Gifts Generally Accepted Without Review. The Optica Foundation will accept unrestricted gifts of cash without prior review of the Board. Unrestricted gifts of cash are acceptable in any form.

B. Gifts Subject to Board Review Prior to Acceptance. All gifts other than unrestricted gifts of cash must be reviewed by the Board prior to acceptance, unless the Board authorizes certain de minimis gifts to be accepted without its review. It is the policy of the Optica Foundation to liquidate all noncash gifts immediately upon receipt or as soon as practicable. The following guidelines also apply:
i. **Restricted Gifts**: A gift with restrictions – whether cash or noncash – will be accepted only if and when the restrictions are approved by the Board. Unless otherwise authorized by the Board, the following conditions must be met prior to approval of a restricted gift:
   a. Restricted gifts for new awards may only be approved if the Optica Award Committee has approved the creation of the award.
   b. Restricted gifts for new programs must be designed in alignment with the mission and focus of the Optica Foundation.
   c. Restricted gifts requiring additional fundraising to support an award or new program must provide at least 80% of the anticipated endowment, either by donation or pledge, prior to award/program approval.

ii. **Named Funds**: A donor or group of donors may contribute and name a fund and restrict the use of the income or principal of the fund. Named funds require a minimum contribution of $100,000 USD and are subject to the conditions on restricted gifts described above.

iii. **Tangible Personal Property**: The Board shall review and decide whether to accept gifts of tangible personal property by considering the following factors:
   a. Whether the property furthers the mission of Optica or the Foundation;
   b. The marketability of the property;
   c. The restrictions on the use, display, or sale of the property; and
   d. Carrying costs and possible liability for the property.

iv. **Securities**: Unrestricted marketable securities may be transferred to a designated brokerage account maintained by the Foundation or delivered physically with the transferor’s signature or stock power attached. All marketable securities shall be sold as soon as practicable following receipt.

v. **Closely-Held Securities**: Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, can be accepted subject to the approval of the Board. The Board shall review and decide whether to accept closely-held securities based on the following factors:
   a. Restrictions on the security that would prevent the Foundation from ultimately converting the securities to cash;
   b. How quickly the securities can be sold;
   c. The marketability of the securities; and
   d. Any undesirable consequences for the Foundation from accepting the securities.

   If potential problems arise on initial review of the security, further review and recommendations by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely-held securities shall be made by the Board with the advice of legal counsel professional money manager when deemed necessary. Any accepted non-maarketable securities shall be sold as quickly as possible.

vi. **Bequests**: The Foundation may accept bequests to the Foundation under a donor’s wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable but is not due until future date, the gift will be recorded in accordance with GAAP.
vii. **Charitable Remainder Trusts**: The Foundation may accept designations as remainder beneficiary of a charitable remainder trust. The Foundation may not accept appointment as trustee of a charitable remainder trust.

viii. **Charitable Lead Trusts**: The Foundation may accept designations as income beneficiary of a charitable lead trust. The Foundation may not accept appointment as trustee of a charitable lead trust.

ix. **Pooled Income Funds**: The Foundation may accept designations as beneficiary of a pooled income fund.

tax. **Retirement Plan Beneficiary Designations**: The Foundation may accept designations as beneficiary of a donor’s retirement plan(s). Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with GAAP.

xi. **Life Insurance**: The Foundation may accept designations as beneficiary or contingent beneficiary and owner of a donor’s life insurance policy. The life insurance policy will be recorded as a gift once the Foundation is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Foundation may:
   a. Continue to pay the premiums;
   b. Convert the policy to paid-up insurance; or
   c. Surrender the policy for its current cash value.

xii. **Charitable Gift Annuities**: The Foundation may offer charitable gift annuities. The minimum gift for funding is US$500,000. The minimum age for life income beneficiaries of a gift annuity shall be 60. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 65. No more than 2 life income beneficiaries will be permitted for any gift annuity. The Board may make exceptions to these minimums.

   **Payment Schedule**: Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The Board may approve exceptions to this payment schedule.

   **Illiquid Assets**: The Foundation may not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Foundation may accept real estate, tangible personal property or other illiquid assets in exchange for deferred gift annuities if there is at least a five (5) year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Board approves the arrangement.

   **Handling of Funds**: Funds required as reserves for gift annuities should be established and maintained in accordance with applicable state insurance laws.

   i. **Real Estate**: Gifts of real estate must be reviewed prior to acceptance and require, at the donor’s expenses, demonstration of clear title of ownership, appraisal of the property’s fair market value and marketability, an environmental risk assessment, and a statement of expenses, encumbrances, carrying costs and any other relevant factors. Only after
considering the net value of the property (value less the liabilities and associated expenses to include the marketing and selling of the property) can gifts of real estate be accepted. Gifts of real estate are subject to immediate sale. It is the donor’s responsibility to obtain an independent appraisal of the property for tax purposes.

ii. **Remainder Interests in Property:** The Foundation may not accept gifts of remainder interests in property.

iii. **Oil, Gas and Mineral Interests:** The Foundation may not accept gifts of oil, gas, or mineral interests.

V. **Additional Provisions**

A. **Matching Gift.** All cash donations to the Foundation are matched dollar-for-dollar by Optica. Gifts in excess of $500,000 USD require the approval of Optica’s Executive Committee to qualify for the match.

B. **Gift Agreements.** The Foundation will enter into a written gift agreement with the donor specifying the terms of any restricted gift, which may include provisions regarding public donor recognition and costs for program creation and development.

C. **Pledge Agreements.** The Foundation’s acceptance of pledges by donors of future support (including by way of matching gift commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, which may include provisions regarding public donor recognition.

D. **Fees.** The Foundation will not accept a gift unless the donor is responsible for: (1) the fees of independent legal counsel or financial advisor(s) retained by donor for completing the gift; (2) evaluation or appraisal fees; (3) all other third-party fees associated with the transfer of the gift to the Foundation.

E. **Valuation of Gifts.** The Foundation shall record gifts at their valuation on the date of gift, except that when a gift is irrevocable but is not due until a future date, the gift may be recorded at the time the gift becomes irrevocable according to GAAP.

F. **Written Acknowledgment.** The Foundation shall provide written acknowledgment of all gifts made to the Foundation and comply with the current IRS requirements in acknowledgment of the gifts.

G. **Changes to or Deviations from the Policy.** This Policy has been reviewed and accepted by the Board, which has the sole power to change this Policy. The Board should review this Policy periodically. Any deviations from this Policy are subject to the written approval of The Board. Written approval should indicate the reason for deviation and should be retained in the Foundation’s records.

H. **Donor Recognition.** The Board has discretion to determine whether and how to publicly recognize donors for significant contributions to the Foundation.
This Policy was approved by the Optica Investment Committee on 20 November 2017 and finalized by the Optica Foundation Board on 10 April 2018.

This Policy was revised by the Optica Foundation Board on [list all dates of revision].