ASN FOUNDATION FOR KIDNEY RESEARCH GIFT ACCEPTANCE POLICY

Introduction

The KidneyCure, the ASN Foundation (registered as ASN Foundation for Kidney Research, Federal Tax ID: 45-5090971), is a non-profit corporation exempt from federal income tax under §501(c)(3) of the Internal Revenue Code. The foundation's mission is to prevent and cure kidney diseases through research and innovation.

KidneyCure receives a substantial portion of its support in the form of gifts from donors. Gifts to KidneyCure are generally deductible for federal income, estate, and gift tax purposes, and the Foundation encourages the solicitation and acceptance of gifts to accomplish its purposes. This policy sets forth the principles governing the foundation's acceptance of gifts.

Form of Gift

This policy applies to all gifts to KidneyCure, regardless of the form in which ownership is taken, including but not limited to, trusts (regardless of the identity of the trustee(s)), charitable remainder or lead trusts, pooled income funds, and charitable gift annuities. For example, a gift of real estate to fund a charitable remainder trust or charitable gift annuity must satisfy the rules in this policy applicable to gifts of real estate.

Communication with Counsel

In appropriate cases, and particularly with respect to non-cash or planned gifts, staff should communicate with the KidneyCure's lawyer.

Donor's Interests

In dealing with donors and prospective donors, KidneyCure will act with fairness, honesty, integrity, and openness. To help ensure that large or planned gifts are consistent with the interests of the donor and the donor's family, prospective individual donors shall be strongly encouraged to seek the assistance of independent legal and financial advisors in matters relating to their gifts and any resulting tax and estate planning consequences. Except for general statements about the deductibility of contributions, KidneyCure and its employees and agents are prohibited from advising donors about the tax consequences of their donations.

If necessary, staff or KidneyCure's lawyer should communicate with the donor's lawyer, estate planner, accountant, or other tax advisor, in connection with the development and completion of the gift.

General Rule

Staff are authorized to accept all gifts except as restricted by this policy. In particular, staff are authorized to accept all unrestricted and unconditional gifts of cash, cash equivalents, and publicly traded stocks and bonds. Acceptance of such gifts is evidenced by depositing them in any financial or brokerage account owned by KidneyCure, or by sending stock certificates or bonds to the issuer's transfer agent to have them re-issued in KidneyCure's name.

Unacceptable Gifts

Staff must respectfully decline to accept any gift whose acceptance would—

- Cause KidneyCure or the donor to violate any applicable federal, district, state, or local statute, regulation, or ordinance;
- Require KidneyCure to violate its mission or values, or likely result in a public perception that the Foundation has violated its mission or values;
- Result in any undue private benefit;
- Entail undue financial or reputational risk for KidneyCure;
- Subject KidneyCure to unreasonable conditions; or
- Otherwise not be in the best interests of KidneyCure.

If there is any question regarding these kinds of gifts, staff may refer the issue to the Board of Directors or appropriate committee for input.

Non-Cash Gifts

These restrictions apply to all gifts regardless of whether the gift is, e.g., absolute; restricted or unrestricted; or in the form of a charitable lead trust, charitable remainder trust, charitable gift annuity, or bequest. Under state law, and for federal tax law purposes, KidneyCure may be able to disclaim a bequest whose acceptance would not be in its best interests. In appropriate cases, legal counsel should be sought.

Securities. Staff may not accept gifts of securities (other than publicly traded stocks and bonds) without specific approval by the board of directors. In appropriate cases, consideration will be given to the assets owned by the entity whose securities are proposed to be donated.

Real Estate. Before accepting any gift of real estate, KidneyCure will conduct appropriate "due diligence" as if KidneyCure were purchasing the property, and the gift will be the subject of a written agreement between the Charity and the donor.

Staff may not accept any gift of real estate without specific approval by the Board of Directors, and receipt of a favorable title search, a title insurance binder, and a Phase I Environmental Assessment. Upon review of the Phase I Environmental Assessment, the Board may impose additional conditions or requirements.

In the case of rental property, the investigation will include a review of all leases and obtaining attornments and releases from all tenants.

Additional considerations regarding the acceptance of real estate include the type and location of the property, whether it is currently producing income, the prospect for capital gain on sale of the property, and who will be responsible for net costs pending sale of the property.

Non-Standard Gifts. Staff may not accept Non-Standard Gifts without specific approval by the Board of Directors. For this purpose, Non-Standard Gifts are non-cash gifts (1) that are not reasonably expected to be used to satisfy or further the KidneyCure's exempt purposes (aside from KidneyCure's sale, rental, or licensing of the property to produce income); (2) for which there is no ready market in which to sell the item; and (3) the value of the item is highly speculative or difficult to ascertain.

Other non-cash gifts. Staff may not accept any other non-cash gift without specific approval by the Board of Directors.

Suspicious Transactions

Unfortunately, because of the tax benefits associated with contributions of appreciated non-cash property to charities, donors or prospective donors occasionally would like to give property to the KidneyCure and claim a deduction on account of the contribution in an amount greater than that permitted by the Internal Revenue Code. Other donors may simply be attempting to dispose of an "albatross" that may be costly to the KidneyCure. Staff should be alert to indicators of potentially suspicious transactions, including situations in which the donor is unwilling to provide full and complete information about the nature, condition, or value of the property, or in the case of securities that are not publicly traded, the business and assets of the entity in question.

When appropriate, staff should ask the donor for a copy of the most recent appraisal (if any) of the property.

Restricted Gifts

Permanently Restricted Gifts. Staff may not accept any permanently or indefinitely restricted gift without approval by the Board of Directors. In such cases, the Board will require review and approval by legal counsel, and the preparation and execution of a written gift agreement with the donor.

Temporarily Restricted Gifts. Staff may accept gifts of cash or publicly traded securities that are restricted for use in a particular program then being conducted by KidneyCure, provided the size of the gift is such that it is expected to be spent within a reasonable time, considering the amount of the gift and the likely future of the program, after the date of receipt.

Restrictions on Sale or Use of Non-Cash Gifts. Staff may not accept gifts of non-cash property when the sale or other disposition of the property is temporarily or permanently prohibited, or is subject to the approval of the donor or a person designated by the donor.

Charitable Trusts and Annuities

KidneyCure does not currently have the ability to administer charitable trusts or annuities. However, if an opportunity were to be presented by a potential donor, such a gift would be considered.

Documentation

Cash Gifts. When KidneyCure accepts a cash contribution, it shall issue a receipt to the donor stating the donor's name, the date and amount of the contribution, and whether any benefits were provided to the donor in exchange for the contribution. If any benefits were provided, the receipt must also state that only the value of the gift in excess of the fair market value of the benefits provided is deductible for federal income tax purposes, and provide a reasonable, good faith estimate of the fair market value of the benefits provided.

Noncash Gifts. When KidneyCure accepts a non-cash contribution, it shall concurrently obtain from the donor a letter documenting the gift, and any other documents evidencing ownership of the property, *e.g.*, title to a car, boat, or other vehicle; stock certificates or bonds (unless transferred directly from a brokerage account to the KidneyCure's brokerage account); or deed to real estate. Photos of real estate and tangible personal property should be maintained in the KidneyCure's file.

In all cases, KidneyCure shall provide the donor with a letter showing the date, and describing the item or items contributed, including the condition of any tangible personal property. This letter shall not refer to any estimated value of the property. This letter will also state whether any benefits were provided to the donor in exchange for the contribution. If any benefits were provided, the receipt should also state that only the value of the gift in excess of the fair market value of the benefits provided is deductible for federal income tax purposes, and provide a reasonable, good faith estimate of the fair market value of the benefits provided.

The IRS requires donors to file Form 8283, *Noncash Charitable Contributions*, when claiming a deduction of more than $500 for gifts of noncash property. When the estimated fair market value of property received from an individual, partnership, or S corporation is more than $500, or when the estimated fair market value of property received from a C corporation is more than $5,000, KidneyCure shall provide the donor with IRS Form 8283, completed and signed by KidneyCure's [title of signer] to the extent required by Form 8283.

When the estimated fair market value of the property exceeds $5,000, KidneyCure will notify the donor that if KidneyCure disposes of the property within three years after the date of receipt, it will file Form 8282, *Donee Information Return*, with the Internal Revenue Service and send a copy to the donor. A blank copy of Form 8282 will be provided to the donor before delivery and acceptance of the gift.

If Charity accepts a vehicle, boat, or airplane, it will timely issue Form 1098-C, *Contributions of Motor Vehicles, Boats, and Airplanes*, to the donor upon sale of the property.

When required, staff will also notify the donor that to claim a charitable contribution deduction for income tax purposes for a non-cash gift, the donor must obtain a "qualified appraisal" with respect to the property, as of a date that is not more than 60 days before the date of the gift. The donor should also be informed that detailed information about the qualified appraisal may be obtained in IRS Publication 561, *Determining the Value of Donated Property*.

Questions

Any questions regarding the interpretation or application of this policy to any particular gift should be directed to Melanie Robey, Development Manager, Annual Giving, (202) 640-4665.

Approved by the ASN Foundation for Kidney Research Board of Directors: April 29, 2018.