

Arts Council Silicon Valley

Policy #

Policy Name

Gift Acceptance Policy

Date of Adoption

May 2009

Purpose - This policy serves as a guideline to staff of Arts Council Silicon Valley (ACSV) in accepting gifts and to donors who wish to make gifts to the organization. This policy enables ACSV to accept gifts from individuals, corporations, and foundations in a manner that supports the purposes and activities of ACSV. It also establishes a giving policy for ACSV that encourages donors to plan gifts of assets in addition to pledged cash contributions and is intended only as a guide and allows for some flexibility on a case-by-case basis.

Donor's Rights - Acceptance of gifts and gift plan arrangements must fully support the purposes and activities of ACSV and will be used consistent with donor intent..

Donor and Prospect Relations - Relationships with all donors and prospects for major gifts shall be the responsibility of ACSV Development Committee and staff. The Organization's representatives will urge donors to review, before a gift is made, the information on the benefits, limitations and tax implications of his/her contribution, with the donor's tax or investment advisor(s). In particular, representatives of ACSV shall not advise donors as to the tax implications of their gift for federal income tax purposes, but rather will advise donors and prospects to consult their own tax advisors.

Donor Recognition - Donors of life income plans will be recognized, with their permission, in the same manner as donors of direct gifts and pledges. Individuals indicating that ACSV has been included in their estate plans may be recognized in separate categories from direct donors.

Confidentiality - Except as required by law, all information obtained from or about donors or prospects shall be held in strictest confidence by ACSV staff. Upon the donor's request, the name, amount, or the conditions of any gift shall not be made public.

Gift Solicitation - The Executive Director of ACSV must authorize the solicitation of planned gifts.

Gift Acceptance - Planned gifts can only be accepted by ACSV's Development Committee but can be received by authorized staff. The Development Committee will decide upon and accept or reject in advance of execution any ACSV administered gift that is an exception to standard criteria for acceptance. The acceptance of corporate gifts or corporate-sponsored foundation gifts shall be in full compliance with the Code of Ethics of the Arts Council Silicon Valley.

Pledges - All donors must complete a pledge form or confirm a pledge in writing. Arts Council Silicon Valley will expect that all pledges will be in support of ACSV's mission, will be made in good faith and will be honorably fulfilled by each donor. In return, ACSV will expend effort and underwriting to fulfill its obligations to provide appropriate recognition and honor the organization's commitment to its donors. Donors who make long-term pledge commitments are encouraged to include ACSV into their estate or contingency plans to cover any unfulfilled commitment in the event of unexpected death or disability. The Organization's policy is to not pursue any unfilled pledge commitment through legal means unless ACSV's Executive Board

votes that special situations or circumstances involving any particular pledge would warrant such action.

Gift Credit - In order to facilitate gift crediting and abide by the funding priorities of ACSV's Board, the following statements are presented:

- All gifts and pledges of cash and convertible property made to ACSV during a specific campaign period will be counted toward the campaign goal, provided they are unrestricted or designated to the specific campaign purpose.
- Individuals whose gifts are matched by their employers will receive campaign recognition but will not receive individual credit for the amount matched.
- Pledges may be paid on a schedule established by the donor, preferably within a five-year period.
- Charitable lead trusts will record only the income received during the period of operation of the trust in a campaign.
- Bequests realized during a campaign will be given campaign credit provided they are unrestricted or designated for the specific campaign purpose and have not been counted in previous fund raising efforts.
- Campaign gift commitments made after an approved starting date by ACSV Executive Board, as reflected in their meeting minutes, will be counted toward the goal of the specific campaign.

Trust Management - The costs of managing gift annuities and income trusts will be borne by the gift annuity accounts and income trusts. Finance Committee may rule upon any exception to this guideline. ACSV will not act in the capacity of trustee for charitable trusts in which ACSV is named as remainder beneficiary.

Cash - Arts Council Silicon Valley shall accept restricted and unrestricted gifts by cash, check or credit card. Checks should be made payable to Arts Council Silicon Valley with a notation about any particular program or project of ACSV that the donor wishes to designate to. In no event shall a check be made out to an individual or staff who represents ACSV.

Publicly Traded Securities - ACSV can accept readily marketable securities, such as those traded on the stock exchange. Gift securities are likely to be sold immediately by ACSV, Finance Committee will make the sell immediately/hold decision. For ACSV gift crediting and accounting purposes, the value of the securities shall be determined in a manner consistent with IRS regulations and accounting principles generally accepted in the United States:

- If the stock certificate and stock power (properly endorsed) are mailed to ACSV, the gift is the effective date of mailing (postmark date)
- If the stock is electronically processed, (transferred DTC) the valuation date is the date the securities hit ACSV's account
- If the securities are transferred into ACSV's name, the valuation date is the date that the ownership is recorded on the corporation's books (date that is printed on the stock certificate)
- If the stock certificate and stock power are physically delivered to a representative of ACSV, the valuation date is the date of delivery.

Closely Held Securities - Non-publicly traded securities may be accepted after consultation with ACSV's Executive Committee. A qualified appraiser must determine the fair market value of the securities. Prior to acceptance, ACSV shall explore methods of liquidation through redemption or sale. A representative of ACSV shall contact the closely held corporation and determine if there are any restrictions on the transfer prior to acceptance. No commitment for repurchase of closely held securities or any other property shall be made prior to completion of the gift of securities as the transaction might be viewed by the IRS as a sale than a gift.

Real Estate - Development Committee may encourage gifts of real estate however approval from the Executive Committee must be obtained prior to closing any Organization-administered agreement under which real estate or any interest in real estate or any property is involved. The donor shall be responsible for obtaining and paying for an appraisal of the fair market value and an environmental audit of the property. Prior to presentation to the Executive Committee, a member of the staff must conduct a visual inspection of the property. If the property is located in a geographically isolated area, a local real estate broker can substitute for a member of the staff in conducting a visual inspection. Prior to presentation to the Executive Committee, the donor must provide the following documents:

- Real estate deed
- Real estate tax bill
- Plot plan
- Substantiation of zoning status
- Result of a Level 1 environmental audit indicating an absence of clean-up liability.

Property that is encumbered by a mortgage will not be accepted. For ACSV gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate. Due to the expenses associated with gifts of real estate, all gifts of real estate will require the approval of the board of trustees. Depending on the donor's connection with ACSV, and the donor's past gift record, the donor may be asked to pay for all or a portion of the following costs while the property is being held for sale by ACSV.

- Maintenance costs
- Real estate taxes
- Insurance
- Real estate broker's commission and other costs of sale
- Appraisal costs

Life Insurance - ACSV will accept life insurance policies only when ACSV is named as the owner and beneficiary of the policy. If the policy is a paid up policy, the value of the gift for ACSV's gift crediting and accounting purposes is the policy's replacement cost. If the policy is partially paid up, the value of the gift for ACSV's gift crediting and accounting purposes is the policy's cash surrender value. Gifts of life insurance policies that are encumbered by loans against them shall be declined. Gifts of term life insurance will not work as charitable gifts, and shall be declined.

Tangible Personal Property - Gifts of tangible personal property to ACSV should have a use related to ACSV's tax-exempt status (unless the item is expected to be sold). The Development Committee is responsible for approving gifts of jewelry, artwork, collections, equipment and software. Such gifts shall be used or sold for the benefit of ACSV. Development Committee is

also responsible for approving gifts of property that require special display facilities or security measures. If the anticipated value of the gift exceeds \$5,000, ACSV shall request the donor to have a qualified outside appraiser value the gift before accepting it. ACSV adheres to all IRS requirements related to disposing of gifts of tangible personal property and filing appropriate forms.

Bequests - The Development Committee and ACSV staff shall encourage assets transferred through bequests that have immediate value to ACSV, or that can be liquidated. Gifts that appear to require more cost than benefit shall be discouraged or rejected. Donors who have indicated that they have made a bequest to ACSV may, depending upon the individual situation, be asked to disclose in writing or by copy of the will, the relevant clause that benefits ACSV as evidence of their gift. This information is used for internal financial purposes and is not binding to the donor.

Administrative Issues - ACSV shall not act as an executor (personal representative) for a donor's estate. ACSV shall not act as trustee or co-trustee of a charitable remainder trust. ACSV shall not pay for the drafting of legal documents for trusts or wills. ACSV shall not pay any finder's fee or other fees for directing gifts to the organization.

A gift that does not meet the descriptions above should be presented to the Executive Committee for consideration.

Year end donations

Credit card.

Contributions charged to a credit card are deductible in the year the charge is made. This means that credit card donors need to take our holiday schedule into consideration. Our cut off date for processing credit card donations are 24 hours before our holiday starts.

Checks.

There is a little more flexibility if donor uses a check for donation. If a check arrives in the new year, it can be considered last year's donation if three conditions are present:

1. Post mark date should be Dec 31, or earlier, keep envelope as supporting document.
2. Date on check must be Dec 31, or earlier.
3. The check must arrive during the first half of January, no later than January 15.