

Bath County Arts Association, Inc Gift Acceptance Policy

I. Purpose

Bath County Arts Association, Inc (hereinafter "BCAA") solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. BCAA urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to BCAA for the benefit of any of its operations, programs or services.

II. Use of Legal Counsel

BCAA will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A.** Gifts of securities that are subject to restrictions or buy-sell agreements.
- B.** Documents naming BCAA as trustee or requiring BCAA to act in any fiduciary capacity.
- C.** Gifts requiring BCAA to assume financial or other obligations.
- D.** Transactions with potential conflicts of interest.
- E.** Gifts of property which may be subject to environmental or other regulatory restrictions.

III. Restrictions on Gifts

BCAA will not accept gifts that:

- A.** would result in BCAA violating its corporate charter,
- B.** would result in BCAA losing its status as an IRC § 501(c)(3) not-for-profit organization,
- C.** are too difficult or too expensive to administer in relation to their value,
- D.** would result in any unacceptable consequences for BCAA, or
- E.** are for purposes outside BCAA's mission.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee.

IV. Policy Regarding Specific Types of Gifts

A. Gifts Generally Accepted Without Review

1. **Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, American Express), card number, expiration date, and name of the cardholder as it appears on the credit card.
2. **Marketable Securities.** Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature

guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by BCAA's Executive Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Executive Committee.

3. ***Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.*** Donors are encouraged to make bequests to BCAA under their wills, and to name BCAA as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
4. ***Charitable Remainder Trusts.*** BCAA will accept designation as a remainder beneficiary of charitable remainder trusts.
5. ***Charitable Lead Trusts.*** BCAA will accept designation as an income beneficiary of charitable lead trusts.

B. Gifts Accepted Subject to Prior Review

Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

1. ***Tangible Personal Property.*** The Executive Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: Does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?
2. ***Life Insurance.*** BCAA will accept gifts of life insurance where BCAA is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
3. ***Real Estate.*** All gifts of real estate are subject to review by the Executive Committee. Prior to acceptance of any gift of real estate other than a personal residence, BCAA shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include:
 - a. Is the property useful for the organization's purposes?
 - b. Is the property readily marketable?
 - c. Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
 - d. Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
 - e. Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

V. Additional Provisions

- A. Gift Agreements.** Where appropriate, BCAA shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition.
- B. Pledge Agreements.** Acceptance by BCAA of pledges by donors of future support of BCAA (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 donor recognition.
- C. Fees.** The Organization will not accept a gift unless the donor is responsible for:
1. the fees of independent legal counsel retained by donor for completing the gift;
 2. appraisal fees;
 3. environmental audits and title binders (in the case of real property); and
 4. all other third-party fees associated with the transfer of the gift to BCAA.
- D. Valuation of Gifts.** The Organization shall record gifts received 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 in accordance with GAAP.
- E. IRS Filings upon Sale of Gifts.** To the extent applicable, BCAA shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by BCAA. "Charitable deduction property" means any donated property (other than money and publicly traded securities) if the value claimed by the donor exceeds \$5,000 per item or group of similar items donated by the donor to one or more donee organizations (e.g., the property listed in Section B on Form 8283). BCAA shall file this form within 125 days of the date of sale or disposition of the asset.
- F. Written Acknowledgement.** The Governing Body of BCAA shall provide written acknowledgement of all gifts made to BCAA and comply with the current IRS requirements in acknowledgement of the gifts.
- G. Changes to or Deviations from the Policy.** This Policy has been reviewed and accepted by BCAA's Board, which has the sole power to change this Policy. In addition, BCAA's Board must approve in writing any deviations from this Policy.