



THE RALPH C. WILSON, JR. CHILDREN'S MUSEUM

**GIFT ACCEPTANCE POLICIES  
OF  
EXPLORE & MORE CHILDREN'S MUSEUM**

Explore and More Children's Museum (the "Museum") a not-for-profit organization organized under the laws of the State of New York, encourages the solicitation and acceptance of gifts to the Museum for purposes that will help further the Museum's mission and vision. The following policies and guidelines govern acceptance of gifts made to the Museum.

**Purpose and Policies and Guidelines**

The purpose of these policies is to give guidance and counsel to individuals who solicit and accept gifts on behalf of the Museum. All gifts shall be accepted or declined in accordance with the policies set forth herein. The provisions of these policies shall apply to all gifts received by the Museum for any of its programs or services.

The Board of Directors recognizes its responsibility to ensure that gifts:

- a. Are consistent with the mission of the Museum;
- b. Do not carry restrictions or conditions that may compromise the Museum at any time, now or in the future;
- c. Are in accordance with all applicable State and Federal laws;
- d. Are from donors whose intents are charitable; and
- e. Are administered to protect donors' rights and wishes.

**Types of Acceptable Gifts**

- a. Cash or checks, including savings accounts
- b. Certificates of Deposit
- c. Bonds, including corporate, municipal and government
- d. Listed and unlisted securities
- e. Restricted securities, including closely-held corporation stock
- f. Retirement accounts, such as IRA's, 401 (k) plans and other retirement benefit plans
- g. Mutual fund securities
- h. Certain and limited personal property, inventory, equipment, and collectibles and other gifts-in-kind
- i. Life insurance policies
- j. Real estate
- k. Deferred or split interest gifts (a.k.a. planned gifts)
- l. Services such as advertising space, time, or legal or tax services, while not tax deductible, are acceptable gift types.
- m. Any other assets found acceptable by the Museum with advice from legal counsel.

- I. Ethical Fundraising
  - a. All promotions and solicitations conducted by the Museum will be conducted in a manner that is both ethical and professional as outlined by the Association of Fundraising Professionals Code of Ethical Standards.
  - b. Quid Pro Quo. Disclosure of benefits and/or services associated with a fundraising solicitation will be furnished, on a timely basis, to the donor as required by federal and state law.
  - c. Finder's Fee. The Museum will not pay a commission or "finder's fee" for any gift.
  - d. Self-Dealing. Museum staff will be circumspect in all dealings with donors in order to avoid of any act of self-dealing or the appearance thereof. A conflict exists between a Museum staff member and a donor when the staff member has a "material interest." In reviewing self-dealing transactions, the Board shall consider financial interests "material" if they are sufficient to create the appearance of a conflict of interest. This is a question of fact in each case.
  - e. Protected Class. The Museum will not engage in the creation of any fund or scholarship that discriminates on the basis of race, religion, gender or physical or mental disability, or in any way violates the United States Anti-Discrimination law.
- II. Use of Gifts and Associated Income
  - a. All gifts will be used for the stated purpose for which they were given and accepted. All unrestricted or non-designated gifts will be available for use by the Museum as determined by the Board of Directors. The income from an endowment is restricted and will be used for the purposes as stated in the endowment agreement.
- III. Use of Independent Tax and Legal Counsel
  - a. The Museum may seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. The Museum shall encourage donors to consult independent tax and/or legal counsel prior to making all of the following types of contributions. It is the donor's responsibility to employ directly and to compensate independent legal and tax counsel in these transactions. The use of counsel by the Museum is recommended for, but not limited to.
    - i. Closely held stock or partnerships or limited liability company interests;
    - ii. Documents naming the Museum as Trustee;
    - iii. Gifts involving contracts, or other legal documents requiring the Museum to assume an obligation;
    - iv. Transactions with potential conflicts of interest;
    - v. Transactions that may invoke IRS sanctions;
    - vi. Gifts of real estate;
    - vii. Intellectual property interests and tangible personal property;
    - viii. Gift agreements concerning charitable gift annuities and charitable trusts;
    - ix. Other instances in which use of counsel is deemed appropriate by the Board.
- IV. Conflict of Interest
  - a. The Museum does not offer legal or tax advice and will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

V. Restrictions on Gifts

- a. The Museum will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission, purposes, and priorities; the Museum may decline gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the charter of the Museum, gifts that are administratively cumbersome, or gifts that are for purposes outside the mission of the Museum. All final recommendations to the Board regarding decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Finance (and Investment) Committee.

VI. Gifts of Cash and Checks

- a. Gifts of cash and checks are accepted regardless of the amount. Funds may be transferred to the Museum by electronic funds transfer or by wire transfer. Donors should consult a representative of their financial institution to make contributions via wire transfer. Checks shall be made payable to the Explore and More Children's Museum.

VII. Gifts of Securities

- a. Gifts of publicly-traded securities are accepted regardless of amount. Generally, all securities received as gifts will be sold and the proceeds reinvested. Board-approved departures from this policy will be considered in the event that a donor wishes to impose a transfer restriction on a gift.
- b. Publicly-Traded Securities. Marketable securities may be accepted by the Museum. The Museum will sell the appreciated stock and invest the proceeds according to policies and procedures as determined by the Finance (and Investment) Committee (see Investment Policy). The donor will receive a gift receipt with the number of shares/units received listed for tax purposes. The Museum will value the gift based upon the average of the high and low of the market the day the gift was received.
- c. Donors will be encouraged to sell gifts of depreciated stocks and securities and make a cash gift to the Museum. The preferred method of accepting gifts of stocks and securities is by electronic transfer (OTC) into the Museum account with the designated broker or by delivery of the securities in the donor's name along with a blank stock power. If delivery is by mail, the blank stock power should be mailed separately.
- d. Closely-Held Securities. Gifts of closely-held securities (i.e., those that are not publicly-traded and are held by only a few shareholders) are subject to prior approval of the Board of Directors. Closely-held securities, which include not only debt and equity positions in non-publicly traded companies, but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to the approval of the Finance (and Investment) Committee.

VII. Gifts of Securities (continued)

- e. However, gifts must be reviewed prior to acceptance to determine:
  - i. There are no restrictions on the security that would prevent the
  - ii. Museum from unilaterally converting those assets to cash;
  - iii. The security is marketable; and
  - iv. The security will not generate any undesirable tax consequences for the Museum.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Finance (and Investment) Committee and legal counsel shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

Initial Public Offerings. Gifts of Initial Public Offerings (IPOs) will be accepted by the Museum and held and managed by the Finance (and Investment) Committee.

VIII. Real Estate

- a. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. These include physical property such as structures, agriculture products, minerals, and other property rights that can be transferred by deed. Because of the legal costs and possible financial burdens associated with gifts of real estate, and depending on the value and desirability of the gift, the following guidelines must be complied with before a gift of real property is accepted by the Museum:

Description/information. The donor shall provide basic information including:

- i. Address of the property;
- ii. Assessor's parcel number;
- iii. Description of any and all improvements on the property;
- iv. Copy of the deed. An additional title search may be necessary;
- v. Copy of the current year's tax bill;
- vi. Substantiation of zoning status if applicable;
- vii. Description of known or suspected hazardous material contamination. Prior to acceptance of the property, the Museum shall require an appropriate initial environmental review of the property to ensure that the property has no environmental damage. This may include such things as underground fuel storage, chemical and manufacturing plants, property which has had a railroad, dumps, dentist office, dry cleaners and agriculture operations. In the event that the initial inspection reveals a potential problem, the donor must obtain a qualified inspection firm to conduct an environmental audit. If there is no evidence of or a likelihood of hazardous substances, the property shall qualify for acceptance if the donor provides a notarized statement and warranties to the effect that the donor has no knowledge of significant toxic contamination or past use which could produce hazardous material;
- viii. List of encumbrances on the property; and
- ix. Any other information which would be relevant to the Museum.

VIII. Real Estate (continued)

- b. The donor shall provide the Museum with a disclosure statement for any gift of real property, covering such items as is typically contained in such disclosure statements.
- c. The Museum may request that the donor provide a survey before accepting the property.
- d. The donor (or a legal representative) is responsible for obtaining an appraisal of the fair market value dated within 60 days of the gift. The Museum may obtain a second appraisal if necessary. If there is a significant difference between the two appraisals, the Finance (and Investment) Committee shall make further analysis. Provided there is no significant difference between the two qualified appraisals, the appraisal value shall be the basis for establishing a value for accounting purposes and gift value for the property.
- e. Prior to presentation to the Finance (and Investment) Committee, the Museum CEO or his/her designee must conduct a visual inspection of the property.
- f. Gifts of real estate must be reviewed by the Finance (and Investment) Committee and Board of Directors before acceptance.
- g. The donor shall be asked to pay for, or contribute to, the cost of surveys, title reports, environmental studies and other fees associated with gifting the property as these expenses may be deductible to the donor. However, in the event that the donor is unwilling to pay for these expenses, the Museum will determine whether it would be in the best interest of the organization to pay such expenses in order to receive the gift. If the gift is not completed, the Museum shall be reimbursed for these costs at the donor's consent.
- h. Payment for all or a portion of the maintenance costs, real estate taxes, insurance, real estate broker's commission and other costs of sale or transfer may be negotiated between the Museum and the donor.
- i. Property gifts made to the Museum may be sold or disposed of at any time unless specific restrictions are agreed upon prior to acceptance of the gift. The Finance (and Investment) Committee may recommend that a gift of real estate be held after analysis as a diversification of investments.

The Museum shall consider the cost of acquiring, maintaining, and selling a property before accepting a gift of real estate. The Museum shall evaluate the holding costs and prospective sales costs of the offered property on the basis of any analysis of all relevant factors including, but not limited to, the following variables:

- a. The property is useful for the purposes of and in relationship to the mission of the Museum;
- b. Present market value;
- c. Appreciation potential of the property;
- d. The property is marketable;
- e. Costs of acquisition;
- f. There are no restrictions, reservations, easements, or other limitations associated with the property;

VIII. Real Estate (continued)

- g. There are no structural defects to any existing structures on the property;
- h. There are no carrying costs which may include insurance, property taxes, maintenance expenses, mortgages, potential income tax on unrelated business income, or notes, etc., associated with the property;
- i. Zoning and use restrictions;
- j. The environmental audit reflects that the property is not damaged or poses a hazard, or future liability to the Museum, and
- k. Marketing, sales commission and closing costs are reasonable.

The Museum Board of Directors shall make the determination to accept the gift based upon legal counsel review, and upon recommendation by the Museum Finance (and Investment) Committee.

IX. Gifts-In-Kind / Equipment / Personal Property

- a. Materials, Supplies and Equipment - The decision to accept the gift will be made after consultation with the appropriate Museum Department heads and consideration of the potential benefit to the Museum, associated costs to accept the gift, and the nature of the donated materials, supplies, equipment, and services.
- b. Tangible Personal Property - Gifts of tangible personal property, including, but not limited to, works of art, jewelry, and collections, will be considered only after a review indicates that the property can be used by the Museum in furtherance of its charitable mission and purposes, and, if not, that the property is readily marketable and free and clear of any encumbrances. The donor must pay for a qualified appraisal of the property if necessary.
- c. Intangible Personal Property - Gifts of intangible personal property, including, but not limited to patents, copyrights, and trademarks, will be considered based on whether the property can be used by the Museum in furtherance of its charitable mission and purposes, and, if not, whether the property is readily marketable. Written documentation must accompany all gifts of intangible personal property naming the Museum as the owner or beneficiary and relinquishing all rights by the donor.
- d. Gift Appraisal - The Museum will not appraise, or in any way establish value of, any "in-kind" gift. The Museum is not a "qualified appraiser" as defined by the Internal Revenue Service.
- e. Documentation - Gifts of tangible personal property must be accompanied by a Gift-In-Kind form completed by the donor relinquishing all rights to the gift.
- f. Property Liquidation - A Gift-in-Kind item accepted and owned by the Museum may be liquidated at any time pending Board approval.

X. Bequests

- a. Donors and supporters of the Museum will be encouraged to make bequests to the Museum under their wills and trusts. Such bequests will not be recorded as gifts to the Museum until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

The following language is suggested in naming the Museum as the beneficiary of a bequest:

*"I give (insert sum, description of property, or percentage of residual estate) to the Explore and More Children's Museum, Incorporated as a not-for-profit corporation, located at 130 Main Street Buffalo New York 14202, to provide funding for the (insert program, department, or endowed fund) to benefit or fund the program(s) in need as determined by the Board of Directors of Explore and More Children's Museum."*

XI. Designated Beneficiary

- a. The Museum will accept proceeds that it receives as a designated beneficiary of a life insurance or other similar policy, a deferred annuity contract, an IRA, a defined benefit plan, a 401 (k) plan, a defined contribution plan, or other retirement plan. Such designations will not be recorded as gifts to the Museum until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

XII. Gifts of Life Insurance

- a. The Museum accepts gifts of life insurance policies if the policy is paid-up and if the Museum is designated as the owner and the beneficiary. The donor may choose to gift the proceeds of the life insurance policy, thereby naming the Museum as beneficiary. The Museum must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value (ITRV), or cash surrender value, upon receipt.

The donor may purchase a policy, naming the Museum as owner and beneficiary, and then contribute the annual premium on the policy to the Museum. The Museum would use the contribution to pay the annual premium on the policy.

XIII. Trusts

- a. Charitable Lead Trusts - A charitable lead trust provides for payments to one or more charities over the life of an individual living at the time the trust is created or for a term of years. At the termination of this period, the trust assets are distributed to a non-charitable beneficiary most commonly, the donor's heirs. Generally, the Museum may accept designation as a beneficiary.

XIII. Trusts (continued)

- b. Charitable Remainder Trusts - A charitable remainder trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named beneficiary(ies) either for life (or multiple lives), or a term of years not to exceed 20 years. At the end of that period, the remaining assets are distributed to one or more charities. The Museum may accept designation as a remainder beneficiary. Except as otherwise provided in this policy (see Trustee of a Charitable Trust and Waiver of a Condition), the Museum may not agree to serve as trustee of a charitable remainder trust unless each of the following conditions is satisfied:
  - i. The initial value of the trust must be at least \$100,000 if the Museum is to serve as trustee without reasonable compensation for its services;
  - ii. Except for net income limitations and makeup payments permitted for certain unitrusts under federal tax law, the amount to be paid out annually to designated income beneficiaries may not be less than 5% nor more than 50% of the applicable value of the trust;
  - iii. Each income beneficiary must be at least 55 years of age at the time the trust is established;
  - iv. The maximum number of income beneficiaries is two;
  - v. The value of the donor's charitable contribution, as determined under applicable federal tax tables, must be at least \$20,000 or 10% of the initial fair market value of the assets transferred to the trust, whichever is greater; and
  - vi. With respect to a charitable remainder annuity trust, the 5% probability test set forth in Revenue Ruling 77-374 must be satisfied.
- c. Trustee of a Charitable Trust. Because of its limited staff resources and its desire not to become subject to taxes on unrelated trade or business income, the Museum is generally not in the business of providing trust services. Thus, the Museum will generally not serve as trustee of a revocable trust, but may if it is determined to be in the best interest of the Museum. The Museum may also retain the services of a designated trustee if it is deemed appropriate. The trustee should be paid by the trust for such services. In addition, a prospective donor of an irrevocable charitable remainder or lead trust should be encouraged to select an entity that is in the business of providing trust services to be trustee of such a trust. Each gift of a split interest trust requires the donor to select a Trustee to administer the trust and to invest the trust assets. It is the duty of the Trustee to represent all classes of beneficiaries. The financial compensation of the Trustee should be paid by the trust.
- d. Waiver of a Condition. A prospective donor who desires to establish a charitable remainder trust or a charitable gift annuity may request the waiver of a condition set forth in Charitable Remainder Trusts, Charitable Gift Annuities, and Trustee of a Charitable Trust sections. The Finance (and Investment) Committee shall review a waiver request submitted under this section and shall make a recommendation concerning the request to the CEO of Explore and More. When developing such a recommendation, the Committee shall consider whether the requested waiver is consistent with federal tax law and is in the best interest of the Museum. The CEO may grant the requested waiver if the Committee recommends such action.



#### XIV. Charitable Gift Annuities

- a. Generally, a charitable gift annuity is an agreement whereby the donor transfers cash or other property to the Museum in exchange for a commitment by the Museum to pay the annuitant(s) a specified amount each year during the remainder of the annuitant's life or annuitants' lives, or donor designee, except as otherwise provided in this policy (See Trustee of Charitable Trustee and Waiver of Condition sections). The Museum will comply with state and federal regulations where charitable gift annuities are marketed to prospective donors and secure appropriate professional services to issue these vehicles. The Museum may not enter into a charitable gift annuity agreement with a donor unless each of the following conditions is satisfied:
  - i. The net fair market value of the assets transferred to the Museum or their agent under the agreement may not be less than \$30,000;
  - ii. The assets transferred to the Museum's agent under the agreement must consist of cash or publicly traded securities, or both;
  - iii. Each annuitant must be at least 60 years of age at the time annuity payments begin under the terms of the agreement;
  - iv. The maximum number of annuitants is two;
  - v. With respect to a deferred charitable gift annuity, the time period between when the agreement is entered into and the time that payments begins to an annuitant does not exceed 15 years;
  - vi. The value of the donor's charitable contribution, as determined under applicable federal tax tables, must be more than 10% of the initial fair market value of the assets transferred to the Museum's agent; and
  - vii. The amount to be paid to annuitants is determined by applying the applicable payment rate recommended by the Museum's agent and based upon the American Council on Gift Annuities, unless adherence to that rate would result in a failure to satisfy the condition set forth in subdivision vi of this section.

#### XV. Retained Life Estate Gifts

- a. A gift of a residence or farm with a retained life estate is one way the donor can make a current gift, retain the benefits of living on the property for life, receive a charitable deduction, and eliminate the property from the donor's taxable estate. Irrevocable gifts of a personal residence or farm where the donor or donors retain a "life estate" interest for themselves, or their designees, may be accepted. The Museum shall execute a written agreement with the donor or donors covering the maintenance, insurance, and the payment of real estate taxes, sale, and rental. The Museum will conduct a physical inspection and follow all guidelines for gifts of real estate when accepting a retained life estate gift. A qualified appraisal and title insurance must be secured by the donor. The Museum shall take control of the property after the death of the donors, or those named as life tenants.

#### XVI. Bargain Sale

- a. A bargain sale is a combination gift and sale. The property owner agrees to sell the property to the Museum for a value less than the current fair market value, usually the donor's cost basis. Inspection of the property and all other guidelines for accepting gifts of real estate must be followed when accepting a gift of a bargain sale.

XVII. Pooled Income Funds

- a. The Museum will not accept, create, or manage pooled income funds.

XVIII. Endowments

- a. Endowments are identified as restricted or legally-binding gifts that are permanent capital of the Museum. Initial gifts by the donor to an endowment shall be deposited, invested, and reinvested as directed by the Board of Directors. Endowment funds will be commingled and earmarked for the specific purpose outlined in the Endowment Agreement signed by the donor and approved by the Museum's Board of Directors. The Museum's Finance (and Investment) Committee, in accordance with the Committee's asset allocation policy, manages endowment funds.

Restricted or legally-binding endowment accounts must achieve a balance of \$20,000 within a 5-year period, or submit a letter of intent to make a deferred gift to fund the corpus of the endowment at the same level. Fully-funded endowments must remain dormant for one full fiscal year before an award can be made so that earnings can be realized. Endowment principal will not be invaded. Additional gifts to the Fund not specifically designated as additions to corpus, shall be available for current spending.

Gifts to the Museums endowment that do not achieve level minimums or within the designated time frame, noted above, the donated funds will be designated to the Museum's general endowment fund. Donors will be notified of all designated gifts.

The Museum shall expend annually so much of the Fund as the Museum determines to be prudent to be used for award purposes. A percentage of the fund balance plus annual realized appreciation and income of each endowment, less fees and outstanding awards, shall be used for the award. That amount cannot exceed the balance of historic temporary earnings of each fund. Currently, the percentage of the fund balance used is 4.5% (based on the moving average of the last three fiscal year ending endowment values). Any additional gifts specifically designated for award purposes may be used for award purposes as well. In the case of a large balance of historic earnings, up to 5% of historic earnings can also be used for award purposes. These amounts will be used for the benefit outlined by the donor in the approved agreement. Excess income and net appreciation over the approved spending rate will be retained for future spending. The Museum may assess a reasonable fee for management purposes so long as all other similar funds held by the Museum shall also be assessed in a like manner. Currently, the rate is .--%. The Museum reserves the right to adjust the spending rate based on market conditions and other factors.

Should an amendment be required to preserve the perpetuation of the Fund or carry out its purposes, the donor or donor designated representative is unavailable, for whatever reason, is unable to, or chooses not to act on such an amendment, in such case the Board of Directors shall make such appropriate amendment but only to preserve the perpetuation of the Fund or carry out its purposes.

XVIII. Endowments (continued)

If, in the opinion of the Board of Directors, it ever becomes impracticable or inadvisable to expend the fund for the purposes expressed by the donor, and the donor or donor designated representative is absent, the Board of Directors may, in its sole discretion, expend the fund for such other Museum purposes, commingle the corpus with another similar fund, or expend the fund in such other manner as will most nearly accomplish the donor's intent and at the same time permit appropriate recognition of the original character of the Fund.

XIX. Gift (Donation) Credit

- b. Gift credit expressly relates to the method used in entering the donation or gift ("gift") into the Museum's records. This method provides the bases on which donors are recognized for their gifts. In general, gift credit will be determined as follows:
  - i. Matching Gift Credit. The Museum will recognize and give credit to all donors that make matching gifts. Recognition and credit will be given for gifts up to the dollar amount of the philanthropy. Soft credit (defined as recognition only) will be given to those individuals for whom a matching gift was made.
  - ii. Gifts-in-Kind. The Museum will give gift credit for Gifts-in-Kind at the value supplied by the donor on the Gift-in-Kind form.
  - iii. Gifts of Professional Services. Gifts of professional services will be recognized at the level the gift is valued as stated in documentation provided by the professional providing the services.
  - iv. Deferred Gifts. Donors utilizing one or more irrevocable deferred giving methods will receive gift credit for the present value of the gift (the value used for determination of the charitable deduction). Every five (5) years the gift will be revalued (soft credit) for purposes of upgrading the donor to a higher donor club. All revocable deferred gift arrangements will be valued at \$1 for accounting purposes and the present value of the gift for recognition purposes.

XX. Gift Acknowledgement

- a. The receipt of all gifts will be acknowledged in writing and in a manner that satisfies the applicable IRS substantiation requirements for the deduction of charitable gifts. The Museum will follow established guidelines with respect to public acknowledgment and recognition of donors in connection with various fundraising campaigns and events. Such guidelines will be established in advance of the initiation of a fundraising campaign or event and will typically provide for levels of recognition based upon the amount of a donor's contribution. Notwithstanding the foregoing, a donor will always have the option to remain anonymous or to forego elements of public recognition and acknowledgement to which the donor may be entitled in connection with a contribution. A donor recognition piece/tangible item will not exceed 2% of the value of the gift as outlined by the Internal Revenue Service.

XX. Gift Acknowledgement (continued)

- b. Donations of \$250 or More. Generally, the Museum shall acknowledge all contributions. With respect to any donation of \$250 or more, the Museum shall provide contemporaneous written acknowledgment to the donor, which acknowledgment shall contain:
  - i. The name of the Museum;
  - ii. The amount of the contribution;
  - iii. A description (but not the value) of non-cash contributions;
  - iv. A statement that no goods or services were provided by the Museum in return for the contribution, if that was the case; and
  - v. A description and good faith estimate of the value of goods or services, if any, that the Museum provided in return for the contribution.
- c. Quid Pro Quo Contributions. Where the Museum provides goods or services to a donor in return for a contribution, such contribution is known as a "quid pro quo contribution." Generally, donors may only take a contribution deduction to the extent the contribution exceeds the fair market value of goods or services the donor receives in return for the contribution. If the Museum receives a quid pro quo contribution in excess of \$75, the Museum shall provide a written statement to the donor that:
  - i. Informs the donor that the amount of the contribution that is deductible for Federal income tax purposes is limited to the excess of the amount of the contribution over the value of the goods or services provided by the Museum; and,
  - ii. Provides the donor with a good faith estimate of the value of such goods or services.
- d. IRS Forms 8283 and 8282. Form 8283 must be filed by a donor if the amount of his or her noncash gifts exceeds \$500. If a noncash gift exceeds \$5,000 and is other than publicly-traded securities (the "Appraised Property"), the donor must attach a qualified appraisal to Form 8283, and the Museum must acknowledge receipt of the property by signing Form 8283. The Museum's acknowledgement of the gift does not represent its agreement with the value placed on the property by donor and the appraiser. It is the responsibility of the donor to complete the form and provide it to the Museum. If the Museum sells the Appraised Property within three years of the date of receipt of the property, it must file Form 8282 with the IRS and provide a copy to the donor within 125 days of the disposition of the property.

XXI. Named Giving Opportunities

- a. The Museum may, from time-to-time, honor or memorialize certain individuals for extraordinary contributions to the institution. These contributions may include significant financial commitments, time and talent devoted by dedicated community members or distinguished service on the part of staff.
- b. Philanthropic Naming - Consideration for naming of a building, part of a building, classroom, exhibit, property or other non-physical asset may be given in recognition of substantial financial gifts to the Museum. The Museum will seek financial contributions commensurate with the honor sought and compatible with the mission of the institution. Consideration for naming assets will be made for gifts that represent a significant percentage of the assets cost (typically 50%). Responsibility for the naming of an asset in recognition of substantial financial gifts rests with the Board of Directors upon the recommendation of the CEO.

XXI. Named Giving Opportunities (Continued)

- c. Honorary Naming – The Museum considers the naming of a building, part of a building or other property in honor of an individual to be one of the highest recognitions the institution can bestow. In that context, only in rare circumstances will property be named to memorialize or honor individuals who have made extraordinary contributions to the Museum. Responsibility for the naming of an asset in recognition of substantial financial gifts rests with the Board of Directors upon the recommendation of the CEO.

XXII. De-Naming Policy

- a. The naming of a physical or non-physical asset of the Museum is a prominent honor that recognizes the person or the family for whom the asset is named. A philanthropic or honorary naming may be rescinded or re-named, on rare occasions, for any of the following reasons:
  - i. If circumstances change so substantially that the continued use of the name may compromise the public trust or image of the Museum.
  - ii. Donor's failure to fulfill the terms and conditions of a gift agreement.
  - iii. Demolition or substantial renovation of a physical space that substantially changes the function or appearance of the space.
  - iv. Dissolution of a program or class or workshop series.
  - v. Repurposing of a program, exhibit, building, etc.
  - vi. Corporation/Museum/organization naming for physical spaces and exhibits may end if the organization ceases to exist. If the donor is acquired/merged into another organization, the new organization shall retain the naming rights and obligations of its predecessor.
  - vii. Corporation/Museum/organizations that are acquired/merged into another organization, shall be responsible for the redesign and fabrication costs of new logos and signage (if desired by the new organization).
- b. Such decisions shall be made at the discretion of the Museum with due consideration for the impact on the relationship with the donor and the community. Responsibility for the de-naming of a physical or non-physical asset in honor of an individual rests solely with the Board of Directors upon the recommendation of the CEO.
- c. As modifications are made to physical spaces, exhibits, and programs over time, situations may occur in which it is in the best interest of the Museum to relocate, retire, and / or reallocate named physical space, exhibits, and programs. When determining whether the current name shall be continued, careful consideration shall be given to the history and legacy of the original naming. If the decision is made to discontinue the use of the former name (if an agreement with the donor is not in effect), the Museum will consider alternative continued recognition of the original donor or honoree. This shall be handled on a case-by-case basis in such a manner that takes into account the history and legacy of the original donor or honoree. If the Museum deems it necessary to modify the name of a physical space, exhibit, or program, the Museum will make every effort to discuss the proposed change with the donor and/or the donor's representatives in advance. If neither a donor nor a donor's representative is surviving, the Museum may change the name in accordance with applicable laws.

- XXIII. Changing the Name at the Donor's Request
- a. If a donor requests that the name be changed (e.g., in the case of a divorce or merger/acquisition), a written request must be submitted to the CEO of the Museum. The request will be reviewed and decided upon by the CEO of the Museum and recommended to the Board of Directors.
  - d. In the event of demolition or substantial renovation, a plaque or other means of conveying historical significance of what was once physically present may be installed.
- XXIV. Naming and Signage Standards
- a. Named buildings, classrooms, public areas and other physical assets may bear the donor's last name, an individual's first and last name, a couples first names and last name (s). For example:
    - i. Smith Hall
    - ii. John Smith Hall
    - iii. John and Mary Smith Hall
    - iv. John Smith & Mary Jones Hall
  - b. Middle initials, honorific titles like Mr./Ms./Mrs. and professional titles such as MD, Ph.D, and CPA are not used in physical asset names to prevent cluttering of the name and for the sake of consistency.
  - c. Donor recognition signage is coordinated with Museum design standards while also allowing some individuality within the area in which the sign will be housed. Every effort will be made to ensure a common look, feel and consistency of signage quality and appearance in each facility throughout the Museum. All donor recognition signage is designed to the highest possible standards. The cost of donor signage is typically limited to one-half of one percent (2%) of the donor gift value. Donor recognition signage may not contain corporate logos. All proposed signage must be approved by the CEO.
- XXV. Authorization to Act for the Museum
- a. Museum representatives, in consultation with the Museum's legal counsel, as necessary, shall negotiate the terms and conditions of any gift with prospective donors or donors' legal counsel. Generally, the CEO may sign gift agreements on behalf of the Museum. However, with respect to charitable gift annuities and charitable trusts, the agreement may not be signed on behalf of the Museum until it has been reviewed and, after consultation with the Museum's legal counsel, approved by the Museum's Board of Directors.
- XXVI. Payment of Fees Related to Gifts
- a. The Museum does not pay fees to any person in consideration for directing a gift to the Museum. However, the Museum will pay reasonable fees for professional services rendered to it by persons/firms it has engaged in connection with the completion of a gift to the Museum. Donors are responsible for hiring independent legal counsel and for paying legal, appraisal, and other fees associated with making a contribution, unless prior agreement has been reached by the Finance (and Investment) Committee.

XXVII. Miscellaneous Provisions

- a. Donor restrictions will be followed, providing the restrictions are not in conflict with this policy, applicable law, or the Internal Revenue Code. Restrictions of an unusual nature will be considered by the Museum's Board of Directors. The Museum does not accept gifts that may endanger its non-profit status.
- b. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Museum.
- c. The Museum will record a gift received by the Museum at its valuation for gift purposes on the date of gift.
- d. No employee of the Museum acting in an individual capacity may serve as executor or trustee in instances where the Museum is a beneficiary of a donor's estate, except that an employee may act as a trustee or executor in instances where the donor is a personal friend or close relative of the employee.

XXVIII. Whistle-blowing and Fraud Reporting Protection Policy

- a. Whistle-blowing and Fraud Reporting Protection Policy for Board members and employees requires directors and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the Museum must practice honesty and integrity in fulfilling the Museum's responsibilities and comply with the Association of Fundraising Professionals Code of Ethical Standards, and all applicable State and Federal laws and regulations.

It is the responsibility of all directors, officers and employees to comply with this policy and to report violations or suspected violations. The use of an external, independent party may be provided, and reports may be made by telephone or the Internet in order to protect confidential, anonymous reporting of perceived wrongdoing.

- b. Definition of Wrongdoing. Wrongdoing may include but not be limited to the following activities:
  - i. Crimes or violations of the law or governmental regulations.
  - ii. Fraud or financial irregularity.
  - iii. Improper use of Museum funds, property or assets.
  - iv. Corruption, bribery or blackmail.
  - v. Endangering the health or safety of an individual.
  - vi. Harming Museum property.
- c. Protection of Whistle-blowers. No director, officer, or employee who in good faith reports a violation of this policy shall suffer harassment, retaliation or adverse employment consequence. Appropriate action will be taken to protect whistle-blowers, including their anonymity. Upon completion of an investigation, his/her name may be disclosed if the alleged wrongdoer is found guilty. In addition, the wrongdoer who is found guilty may face appropriate legal or personnel action. This Whistleblower Policy is intended to encourage and enable employees and directors to raise serious concerns within the Museum prior to seeking resolution outside the Museum.

- XXIV. Whistle-blowing and Fraud Reporting Protection Policy (continued)
- d. Ethics Officer. The Museum Ethics Officer is the chair of the Finance (and Investment) Committee. The Ethics Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the policy and, at his or her discretion, shall advise the Museum CEO and/or Executive Committee. The Ethics Officer has direct access to the Museum's Finance (and Investment) committee and is required to report to the Finance (and Investment) Committee at least annually on compliance activity.
  - e. Accounting and Auditing Matters. The Museum Finance (and Investment) Committee shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Ethics Officer shall immediately notify the Finance Committee of any such complaint and work with the Committee until the matter is resolved.
- XXV. Officer Bonding / Liability
- a. The Museum Board of Directors shall maintain sufficient bonding and liability coverage for all directors and officers serving in their role as agents of the Museum.
- XXVI. Changes to Policies
- a. Changes to the gift acceptance policies may be considered and approved at any time, first by the Museum's Executive Committee (with the advice of the Finance (and Investment) Committee and then by the Museum's Board of Directors.

These policies and guidelines have been reviewed and accepted by the Museum's Finance (and Investment) Committee and the Museum Board of Directors. The Museum Finance (and Investment) Committee may recommend any changes to, or deviations from, these policies. The Museum's Board of Directors must approve any changes to, or deviations from, these policies.

**This policy will be applied to new gifts and gift agreements developed after the date of this policy's approval. The policy will not supersede any prior agreements in a manner which would be onerous to the donor.**

**Last revision: November 12, 2019**

**Finance Committee Approval: November 12, 2019**