

## **Washington Heritage Museums**

### **Gift Acceptance Policy**

The Washington Heritage Museums is a not-for-profit corporation organized under Section 501(c)(3) of the Internal Revenue Code of 2011. The purpose of WHM is to preserve and promote its 18<sup>th</sup> Century properties and to serve as an educational and cultural resource to the community. WHM encourages and accepts gifts for purposes that further its mission.

#### **A. Policy and Purpose**

This Policy shall govern the solicitation and acceptance of gifts by WHM. The Board of Directors of the Washington Heritage Museums and its staff solicit current and deferred gifts from individuals, corporations, foundations, and others for purposes that will further and fulfill the WHM mission. Purposes of this Policy include: (1) guidance for the Board of Directors, officer and staff with respect to their responsibilities concerning gifts to WHM; and (2) guidance to prospective donors and their professional advisors when making gifts to WHM. The provisions of this Policy shall apply to all gifts received by WHM. Notwithstanding the foregoing, WHM reserves the right to revise or revoke this Policy at any time, and to make exceptions to the Policy.

#### **B. Use of Legal Counsel**

WHM shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel is recommended for closely held stock transfers that are subject to restrictions, gifts involving contracts such as bargain sales or other documents requiring WHM to assume an obligation, transactions with a potential conflict of interest, gifts of real estate, pledge agreements, any gift with restrictions and any other instance where use of counsel is deemed appropriate by the Board of Directors.

For non-standard gifts, in order to avoid potential conflicts of interest, WHM should encourage 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 planning consequences.

Acceptance of any contribution, gift or grant is at the discretion of WHM. WHM will not accept any contribution, gift or grant unless it can be used or expended consistently with its mission and is beneficial to the organization. WHM shall **not** accept any contribution, gift or grant whether an irrevocable gift, outright, life-income in character or bequest, if accepting such under any reasonable set of circumstances would violate the terms of WHM's organizational documents or the tax exempt status under state or federal law; be too difficult to administer and fail to provide all the necessary costs associated with a program or project to which it is designated; are for purposes that do not further WHM's objections; or could damage the reputation of WHM.

Subject to Section C below, all final decisions on the acceptance or refusal of a gift, shall be made by the Board of Directors.

### **C. Policy Regarding Specific Types of Gifts**

When considering whether to accept a gift, WHM must recognize that some gifts come with new responsibilities and expenses to the organization. WHM must consider whether the asset can be protected, whether it needs to be insured, whether it needs to be housed in a safety deposit box, whether the gift will require maintenance in the future, and the annual costs associated with owning the asset. Additionally, WHM does not provide advice about the tax or other treatment of gifts and encourages donors to seek guidance from their own professional advisors to assist them in the process of making their decision.

**Unrestricted Gifts of Cash** shall be generally accepted by WHM without prior review by the Board of Directors, provided that, for donations of \$1,500 or more, the identity of the donor has been vetted with respect to any reputational or policy issues. Unrestricted gifts of cash are acceptable in any form. Checks shall be made payable to the Washington Heritage Museums. Credit card payments and fund transfers are also acceptable. Cash gifts of \$250.00 or greater must receive a receipt meeting IRS substantiation requirements to be deductible by the donor. The receipt provided by WHM must include the name of the donor, the date of the donation, the amount or description of the item donated, a statement indicating whether any goods or services were provided in return for the gift; and a good faith estimate of the value of goods or services provided to the donor.

**Gifts Subject to Board of Director Review** prior to acceptance include all gifts other than unrestricted gifts of cash, over \$2,500. The Board of Directors shall review and decide whether to accept gifts of tangible personal property by considering whether it meets WHM's mission, is marketable, has restrictions on use or sale and what costs and liabilities are associated with it.

WHM will accept marketable securities, which may be transferred into an investment account maintained by WHM at a brokerage firm or delivered physically with the transferor's signature or stock power attached. All marketable securities shall normally be sold as soon as practical following receipt, unless otherwise directed by the Board of Directors.

Gifts of in-kind services will be accepted at the discretion of WHM. Donors may make bequests to WHM in their wills and trusts. Such bequests will be recorded as gifts, at their present value, when the gift becomes irrevocable. WHM may accept donations as a remainder beneficiary of a charitable remainder trust or a charitable lead trust, but may not accept appointment as trustee of either type of trust.

Restricted gifts will only be accepted with the approval of the Board of Directors. WHM may accept Restricted Grants with the approval of its Board of Directors. All restrictions and conditions on the grant must be clearly documented and understood by the donor and WHM. Such understanding must be put in writing to be signed by both parties and include the amount of funding, the anticipated date of funding, the restrictions, and a contingency plan in the possibility of not achieving the requirements for the grant that will allow for reclassification, redirection or refunding of the grant. The agreement must also address the risks and outline the consequences if one side fails to follow through. Alternative dispute resolution options should be included.

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 \$10,000 and are subject to the approval of the Board of Directors.

The Board of Directors reserves the right to review and approve any other type of gift not specifically mentioned above. The ones named are in no way meant to be an exclusive list.

## **Donor Recognition**

A criteria shall be established by the Board of Directors for the recognition of donors based on giving levels. This shall include the identity of the donor and any benefits available at each giving level so that donors' recognition is applied consistently and fairly. A document defining Donor Giving Levels is included in the Development Plan.

If the Board of Directors decides to have naming opportunities, it shall establish a written schedule of such including the details of how and where names will be listed and how long the recognition will last.

### **D. Additional Provisions**

When appropriate, WHM shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift.

When anonymous gifts are made WHM will restrict information about the donor to only those staff members with a need to know.

WHM will not compensate, whether through commissions, finders' fees, or other means, any third party for directing a gift or a donor to the WHM.

WHM will only accept pledges by donors of future support of WHM including by way of matching gift commitments, upon execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge.

WHM will not accept a gift unless the donor is responsible for the fees of independent counsel retained by donor for completing the gift, appraisal fees, and other third party fees associated with the transfer of the gift.

WHM shall record gifts received at the valuation on the date of the gift, except that, when a gift is irrevocable, but is not due until a future date, the gift will be recorded at the time the gift becomes irrevocable.

WHM shall make applicable IRS filings upon the sale or disposition of any charitable deduction property if such is required.

The Executor Director shall provide written acknowledgement of all gifts made to WHM and comply with current IRS requirements.

This Policy has been reviewed and accepted by WHM's Board of Directors, which has the sole power to change this Policy. Any changes or deviations made to this policy shall be approved by the Board of Directors and attached hereto.

WHM shall publish its Gift Acceptance Policy otherwise known as a GAP Policy on its website and maintain revisions thereto.

Date Enacted: November 8, 2016