



## **GIFT ACCEPTANCE POLICY**

*Adopted by the Finance Committee, April 23, 2010.*

*Approved by the Board of Trustees, April 28, 2010.*

### **Mission:**

The mission of The Brick Store Museum is to preserve the rich heritage of the Kennebunks for year-round residents, seasonal visitors and future generations through the collection, preservation, interpretation and exhibition of its material culture.

### **I. Purpose**

The Brick Store Museum (hereinafter, "Museum"), is a nonprofit corporation operating at 117 Main Street, Kennebunk, Maine, with a federal tax identification number of 01-0238760. The Board of the Trustees of the Museum and its staff seek both planned and outright donations in furtherance of the Museum's mission. The purpose of this gift acceptance policy is to govern the acceptance of gifts and to provide guidance to prospective donors and their professional advisors in completing gifts. The provisions of these policies shall apply to all gifts received by the Museum for any of its exhibits, programs, purposes, or services.

### **II. Use of Professional Advisors**

- A. All prospective donors should seek the independent assistance of personal financial and legal advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Museum cannot provide such counsel.
- B. The Museum may seek the counsel of financial and legal advisors in matters relating to acceptance of gifts, where appropriate, to protect the Museum's interests.

### **III. Restrictions on Gifts**

- A. The Museum will accept unrestricted gifts and gifts for restricted purposes, provided that those gifts are consistent with the Museum's mission, purpose, and priorities. The Museum reserves the right to refuse any gift that it believes is not in the best interest of the Museum. The Museum may decline gifts that are overly restrictive in purpose, are overly difficult to administer, are for purposes outside its mission, or are in conflict with its governing documents and policies. If a gift is not accepted, Museum staff will contact the prospective donor promptly.
- B. Unrestricted bequests of cash or cash equivalencies valued at \$25,000 or less may be used for any purpose in support of the Museum's mission or be allocated by the Board of Trustees as a contribution to an existing fund, so long as the terms and conditions of the existing fund so permit.
- C. Unrestricted bequests of cash or cash equivalencies valued at more than \$25,000 will be allocated to the Museum's Endowment Fund, unless otherwise directed by the Board of Trustees. The Museum reserves the right to assess administration or investment fees.
- D. Donors of restricted gifts are encouraged to allocate among the Museum's existing restricted funds and are beholden to the established terms and conditions governing these funds:

1. Endowment Fund

The interest from the Museum's Endowment fund provides a permanent source of funding for the Museum. Funds may be allocated to the Endowment fund by donor designation or by designation of the Board of Trustees. Should a donor designate a gift to the Museum's Endowment fund, the donor and/or the donor's successors must comply with current Museum policy governing the Endowment fund.

2. John Rogers Memorial Lecture Fund

The interest from this fund is available to the Museum for speaker honoraria and the direct expenses associated with presenting John Rogers Lectures.

3. Dorothy Fish Fund for Furthering Edith Barry's Legacy

This interest from this fund is available to the Museum for materials, equipment, promotional vehicles, and expenses associated with developing experiential learning initiatives for children, adults, and/or multi-generational audiences.

4. Collections Fund

This fund exists for acquiring new artifacts for the Museum's collections, as governed by the Museum's Collections Management Policy, and for providing conservation treatment on existing artifacts in the collections.

E. Establishing a new donor-restricted, endowed fund:

Due to the complexities, fees, and reporting required in establishing and administering a donor-restricted, endowed fund, the Museum requires:

1. dialogue with the Museum describing the intended purpose of the gift as broadly as possible, avoiding detailed restrictions and limitations, so that the Museum may have the flexibility to use the funds in a way that marries the donor's interest with the best interests of the Museum.
2. a minimum gift of \$50,000 in principal.
3. requires review and approval by the Gift Acceptance Committee, as set forth in section VI.

F. Contingencies: If, in the opinion of the Museum, all or part of the funds of an accepted gift cannot be applied in strict conformance with the purpose(s) stated, the Museum may use these funds for other appropriate purposes as nearly aligned to the donor's original intent as good conscience and need dictate within the authorized powers of the Museum."

#### IV. Types of Gifts

A gift is defined as anything of assignable value that is voluntarily and legally transferred to another's ownership and possession. A gift may be of a present or future interest in cash, securities, life insurance, real property, and tangible personal property. A gift is irrevocable, donative and philanthropic in intent, given freely, and without expectation of tangible compensation. Under these circumstances, the Museum is prepared to consider gifts of the following types:

A. Cash

1. Cash is acceptable in any form. Checks shall be made payable to the "Brick Store Museum."
2. Cash gifts are recorded and reported in the amount given on the day of receipt.
3. Cash gifts are recognized at full value.

B. Publicly Traded Securities

1. Publicly traded securities may be transferred to a Museum account at a brokerage, or delivered physically with the donor's signature or a stock power. All gifted securities shall be sold upon receipt. Publicly traded securities are reported at the average of the high and low quoted trading prices during the normal trading day (or the average of the bid/ask in the case of certain

securities) on the date the donor relinquishes dominion and control of the assets in favor of the Museum.

2. Securities are recognized at full valuation.

#### C. Tangible Personal Property

1. The Museum may accept or decline personal or business property. All such gifts shall be examined in light of marketability, restrictions on the sale or use of the property, and its service to the mission of the Museum.
2. Gifts of art and/or historical artifacts, including bequests, shall be handled in accordance with the terms and provisions of the Museum's Collections Management Policy.
3. IRS requirements for gift substantiation note that the donor has the responsibility for valuing property for income tax purposes, at the donor's expense.
4. The Museum will not delay the sale or liquidation of property solely for the purpose of avoiding the filing of IRS Form 8282.

#### D. Gifts of Life Insurance

1. The Museum must be named as both the owner and irrevocable beneficiary of an insurance policy, before it can be recorded as a gift. If the policy is not fully paid, and if the donor does not elect to continue to cover the premium payments, the Museum may continue to pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its current cash value.
2. The gift is valued at its cash surrender value upon receipt. If the donor continues to make future premium payments, those will be recognized as gifts in the year they are made.

#### E. Bequests and Bequest Expectancies

1. Bequests to the Museum may provide for a specific amount in cash, specific securities, or specific articles of tangible personal property. A bequest may be a percentage of an estate, contingent, or residual in nature. The Museum reserves the right to disclaim any bequest.
2. To assist donors and their counsel in drafting testamentary language, the following wording is provided:
  - a. *For a specific bequest:* "I hereby give and bequeath \$\_\_\_ from my estate to the Brick Store Museum, a Maine not-for-profit corporation, Kennebunk, Maine, for its general purposes."
  - b. *For a remainder gift:* "I give and bequeath all (or \_\_\_%) of the rest, residue and remainder of my estate to the Brick Store Museum, a Maine not-for-profit corporation, Kennebunk, Maine, for its general purposes."
3. Only bequest intentions secured by an irrevocable signed pledge agreement will be recorded or recognized in any way. Upon realization of a bequest, the donor will be credited with a gift of the actual value of the bequest.

#### G. Beneficiary Designations of Retirement Plans

1. The Museum may accept designation as beneficiary of a donor's retirement plan.
2. Irrevocable designations will be valued and recognized at the present value of the gift.

#### H. Charitable Remainder Trusts

1. The Museum may accept designation as beneficiary of a charitable remainder trust.
2. The Museum will not serve as trustee of a charitable remainder trust.
3. Gifts made to establish charitable remainder trusts, where the remainder is not subject to change or revocation, will be credited and recognized at the discounted net present value of the remainder interest allowable as a deduction by the IRS or as otherwise decided by the Board of Trustees.

I. Charitable Lead Trusts

1. The Museum may accept income from charitable lead trusts.
2. Income from lead trusts will be recorded and recognized at actual value in the year given.

**VI. Gift Review and Acceptance**

- A. The Museum endorses the National Committee on Planned Giving *Model Standards of Practice for the Charitable Gift Planner* (Attachment A), to the extent not inconsistent with these guidelines.
- B. Because the acceptance of a gift involves a legal obligation to use the gift for the specified purpose and may involve commitments that will exist in perpetuity, the final authority to accept gifts rests with the Board of Trustees.
- C. The Board of Trustees hereby authorizes a Gift Acceptance Committee charged with ensuring that prospective gifts are consistent with Museum policies and are in the best interest of the Museum.
  1. The Gift Acceptance Committee shall consist of members of the Museum's Finance Committee, the Museum's Executive Director, and the President of the Board of Trustees.
  2. Unrestricted cash, cash equivalents, checks, and in-kind gifts of personal property for the Museum's offices, exhibits or programs may be accepted by the Museum without prior review by the Gift Acceptance Committee.
  3. Gifts requiring review or approval by the Gift Acceptance Committee include non-artifact tangible property, life insurance, and gifts whose structure fall outside the ordinary purposes, by-laws and procedures of the Museum.
  4. Restricted gifts require review and approval by the Gift Acceptance Committee.

**VII. Acknowledgment of Gifts**

Accepted gifts will be acknowledged in writing by Museum staff, in accordance with federal regulations. Donors will be acknowledged in the Museum's Annual Report.

**VIII. Changes to Policy**

This policy has been reviewed and accepted by the Museum's Board of Trustees. The Board of Trustees must approve any material changes to or deviations from this policy.

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