



Dunedin Fine Art Center
GIFT ACCEPTANCE POLICY

October, 2009

The purpose of this policy is to provide guidance to donors, staff, volunteers and the general public so as to facilitate the gift giving process.

Policy Statement

The Dunedin Fine Art Center (DFAC) strongly encourages the solicitation and acceptance of gifts. Gifts of support enable it to achieve its mission. Such gifts are essential to the organization's health and achieving its programmatic goals. The purpose of this policy is to provide guidance to the donors, staff, volunteers and the general public so as to facilitate the gift giving process. DFAC reserves the right to refuse any gift that requires it to act in a manner not in accordance with its mission. DFAC reserves the right to refuse gifts that are deemed too restrictive in nature. DFAC cannot accept gifts, which involve unlawful discrimination based upon race, religion, gender, sexual orientation, age, disability, color or national origin or that are in any other basis prohibited by federal, state, and local laws.

Responsibility to Donors

DFAC is committed to a relationship with its donors based on the highest ethical standards. This involves treating all transactions with donors with strict confidence. DFAC has adopted the Donors Bill of Rights of the Association of Fundraising Professionals (AFP) as official policy. DFAC has also adopted practices that conform to general nonprofit industry standards. Donors are always strongly encouraged to discuss gifts with their financial advisors. Donors are acknowledged for their contributions and DFAC offers recognition to the donor in its annual report and through recognition vehicles such as plaques. The responsibility for the acceptance, approval or negotiation of any gift lies with the Executive Director as authorized by the Board of Directors' adoption of this policy.

DFAC Accepts the Following Types of Gifts:

Outright gifts: The donor makes these gifts for DFAC's immediate disposal with no retained interest. These gifts are accepted in the form of cash, personal checks, money orders, credit card transactions, gifts by payroll deduction, matching gifts, gifts of securities, tangible personal property, real estate, and other assets. The most desirable gifts are those without restrictions.

Restricted gifts: The donor makes these gifts in support of a particular program, specialized group, or named cause. DFAC respects a donor's desire to support particular programs and the donor can place restrictions on gifts to meet this desire. Should the restriction on a gift be such that it limits DFAC's ability to provide services in accordance with its mission or if the restriction involves funding a need DFAC feels does not exist, we will discuss this with the donor and such gifts may be refused.

Forms of Gifts – Current

Cash: DFAC accepts cash, checks, money orders, and gifts made through credit cards.

Marketable securities: DFAC accepts gifts of publicly traded stocks and bonds. The value of these gifts is the market value at the time of the gift. It is the policy of DFAC to convert gifts of stock and bonds to cash as soon as it is possible.

Stock in privately owned companies: DFAC requires approval by its Board of Directors before acceptance of this stock. When DFAC decides to sell this type of stock, the Board should consider obtaining a qualified, independent appraisal on such stock for the purposes of determining the sale price. –DFAC requires an appraisal to accompany such gifts.

Limited partnership interests: DFAC will approach the acceptance of gifts of limited partnership interests with caution. A determining factor might be a regular cash distribution from the partnership. DFAC will insist on the ability to sell the interest at some point.

Real property: Although it is preferable for gifts of real property to be converted to cash by the donor, often it is in the donor's interest to give such gifts intact. Gifts of real property may be accepted based on the outcome of a property analysis, including physical condition, likelihood of sale and current market analysis of value. A Phase I environmental report or similar study is required upon the donation of all commercial property. In some cases the cost of a Phase I report may be borne by DFAC. In addition, all donors of residential property shall be required to confirm or provide satisfactory evidence to DFAC that no known domestic environmental hazards exist at the subject property. Property subject to a mortgage will only be considered if sufficient equity exists. Gifts of real property are accepted with the understanding that the property will be sold as soon as possible. Until the sale is complete, the donor may be asked to provide a cash gift to provide for obligations such as taxes and insurance. Donation of commercial property occupied by a tenant will be reviewed on a case by case basis and acceptance will be contingent on the donation being in the best interest of DFAC and the donor as determined by the DFAC Board of Directors.

Personal Property: DFAC may accept gifts of tangible or intangible personal property, including works of art, jewelry, antiques, coin, stamp and other collections, manuscripts and books. Such gifts may be accepted only after a thorough review indicates the property is readily marketable or may be used by DFAC in a manner consistent with one of the purposes for which it was granted its charitable and educational status. An essential issue for donors to consider before contributing a gift of personal property is whether they would like DFAC to use or display the property. Prospective donors should be advised that DFAC reserves the right to sell or otherwise dispose of the personal property in question, if such action is deemed advisable or necessary. In the case of gifts of art, prospective donors should be notified that DFAC will sell the donated works as soon as it is practicable. Whenever possible, the proceeds from these sales will benefit the intended beneficiaries of the contributions.

Inventory: As with personal property, gifts of inventory or in-kind services may be accepted if those are appropriate to the advancement of DFAC's mission. Donors should be aware that special rules apply to the valuation of both inventory and services donated to charitable organizations.

Tangible personal property: Gifts of tangible personal property (jewelry, art, collections, equipment, etc) with a substantial value must be saleable and the donor must agree the property can be sold. In some instances IRS regulations might require at least one qualified appraisal by an independent professional. In some instances, the donor will be asked to make a cash gift to cover storage, appraisal, transportation, insurance, repair and selling costs. Commissions on the sale of tangible personal property by an auction house will be taken from the proceeds of the sale and donors will not be asked to reimburse those costs. In all instances, gifts of tangible personal property will be accepted on a case by case basis.

Automobile, boat, etc... donations: DFAC participates in a car donation program with a third party service. The service takes on the responsibility of receiving and selling all donated vehicles and gives a portion of the sales proceeds less expense to DFAC. DFAC does not directly accept title to donated automobiles, boats, motorcycles, trucks or like vehicles.

In-kind gifts: In-kind gifts are products and/or services given in lieu of cash. They are often confused with gifts of tangible personal property. The difference is that an in-kind gift is of a product that would otherwise have been purchased by DFAC.

Pledges: Pledges may be accepted if in writing and if paid within three to five years (as agreed with donor). Only the Executive Director in consultation with the Executive Committee can make the acceptance of a pledge.

Oil and mineral interests: (see this section under Forms of gifts – planned)

Forms of Gifts – Planned

Bequests: Gifts of cash, marketable securities, real property, tangible personal property and the like as a gift from an estate are encouraged as long as it is understood these gifts must fall within the DFAC policies and guidelines as to being mission related and free of discriminatory restrictions.

Life insurance: DFAC will accept life insurance if it is named as the beneficiary or if DFAC is both the irrevocable owner and beneficiary. Life insurance policies that are not fully paid are accepted on a case-by-case basis.

Charitable remainder trusts: DFAC will accept remainder interests in a charitable remainder trust. DFAC does not serve as trustee, and will utilize the services of an appropriate professional. The donor is advised to seek the advice of their legal and financial advisors.

Oil and mineral interests: These gifts are not accepted as current gifts, but may be accepted as part of a bequest of real property.

Gifts of partial interests: DFAC will accept gifts of partial interests, i.e. when DFAC shares property with another beneficiary, as long as it is understood these gifts must fall within DFAC policies and guidelines as to being mission related and free of discriminatory restrictions. It should be understood that it is DFAC's general intent to liquidate its interest as soon as it is practical.

The ultimate decision on these policies and on the acceptance of any gift outside of these policies rests with the Executive Director of DFAC in consultation with the Board of Directors. In certain instances consultation with DFAC legal counsel may occur.

Naming Gifts

These gifts are intended to assist in the construction of new facilities, the renovation of existing ones and in recognition of donors who seek to name existing spaces. The Board of Directors must approve each capital project. Based upon that approval, naming opportunities for an entire building, various rooms, studios or facilities will be established. Naming gifts may not be indefinite.

Naming Funds: A donor may establish a Named Fund with a minimum contribution of \$10,000 (provided the Board of Directors does not find the name to be unacceptable). In establishing a Named Fund, an agreement must be signed by both the donor and the Executive Director and Board President which sets forth:

- a) The name of the donor/donors;
- b) The name of the Fund;
- c) The initial amount given or pledged to establish the Fund;
- d) The purpose of the Fund;
- e) An understanding that the Fund's principal is pooled with other endowments for purposes of investment and income distribution or allocation, and that the Fund is governed by general policies established by the Board with regard to the investment and disbursements of the endowment, as amended from time to time.
- f) The period of time the name will remain is negotiable.

Agreements establishing Named Funds are reviewed and approved by the Executive Committee of the Board of Directors prior to acceptance of the Named Fund. Signed Named Fund Agreements are on file in the office with the Accounts Manager.

Interpretation of Gift Acceptance Policies

The Executive Director is assisted in the interpretation and implementation of these guidelines by the President of the Board of Directors, Treasurer, Finance Committee and Executive Committee. Other Board members may be consulted at the Executive Committee's discretion.

Advice may be sought from the agency's auditors. The Executive Committee's role is to approve gift agreements and the acceptance of gifts that deviate from these policies.

Review and Amendments of Gift Acceptance Policies

1. Responsibility for review and suggested amendments is with the Executive Director.
2. The procedure to amend these guidelines is as follows: The Executive Director provides written recommendations to the Executive Committees of the Board of Directors.

Code of Conduct

Representatives of DFAC exercise caution to avoid pressure, persuasion or undue influence and encourage donors to seek their own counsel when considering a planned gift option. All personnel employed by DFAC to contact prospective donors or to promote the planned gifts program are paid a salary or fixed wage, and not receive commissions which could give such personnel a direct beneficial interest in any agreement.

Confidentiality

DFAC recognizes that it is in a position of trust with the donor, and that the donor has placed trust in the organization concerning confidentiality. Therefore, all donor information, correspondence and governing instruments are kept in a secure place, which is accessible to individuals with approval of one of the following: the Executive Director and the Director of Development. It is known throughout DFAC that this is confidential information.

Use of Constituent Lists

It is the organization's policy not to sell its constituent lists to individuals or organizations interested in using it for fund raising.

Protection of Donor's Interest

No program, agreement, trust, contract or commitment is knowingly urged upon any prospective donor that would benefit DFAC at the expense of the donor's interest and welfare. No agreement is made between DFAC and any agency, person, company or organization on any matter related to investments, management or otherwise which knowingly jeopardizes the donor's interest.

Use of Legal Counsel

A prospective donor is advised to seek legal or tax counsel of his/her attorney in any and all aspects of a proposed gift, whether by bequest, trust agreement, contract, or outright gift. They are advised to consult with their attorney or accountant on matters related to the tax implications and estate planning aspects of a planned gift agreement.

DFAC consults with separate legal counsel in all matters pertaining to its planned giving program and consults counsel when executing agreements, contracts, trusts or legal documents. Donors are advised to seek their own legal or tax counsel. No legal fee will be paid by DFAC for the drafting of a will or other trust instruments on behalf of prospective donors even if DFAC is to be named as a beneficiary. No legal fee will be paid by DFAC for determining the marketability of any donated property, whether securities or real property. The Executive Committee must authorize any exemptions to this policy.

Gift Acknowledgement Policies

Effective 1994, the Omnibus Budget Reconciliation Act of 1993 (OBRA) added Internal Revenue Code section 170(f)(8) which denies donors a charitable deduction for any contribution of \$250 or more unless the donor obtains a written acknowledgement of the contribution from the charity. DFAC is in full compliance with the law; it is the policy of the organization to provide an acknowledgement for all gifts regardless of the size. The law also requires charities to provide written disclosure about the solicitation or receipt of quid pro quo contributions that exceed \$75.00. The disclosure must: inform the donor that the amount of the contribution that is tax deductible for federal income tax purposes is limited to the excess of the amount on any money and other property contributed by the donor, over the value of the goods and services provided by the charity; and provide the donor with a good faith estimate of the value of such goods and services. This disclosure must be made when the contribution is solicited or when the contribution is received.

There are three situations in which a disclosure is not required: where the goods or services are “insubstantial,” i.e., token or otherwise de minimus;” where no donative intent is present, i.e., sales of T-shirt at a reunion, and where only an intangible benefit is provided to the donor, i.e., participation in a religious ceremony.

Policy for Thanking Donors

In addition to processing all gifts and generating gift receipts, the Development Department is also responsible for thanking donors for their gifts in a timely manner. This acknowledgement includes the official gift receipt. The DFAC established internal procedures for thanking donors for their contribution including information on who signs the letter, what type of acknowledgement letter is sent, what letters are kept in permanent files, etc.

DFAC Mission

The mission of the Dunedin Fine Art Center is to offer creative educational experiences in the visual arts.

Attachment: Donor Bill of Rights