



Museum & Archives of Rockingham County

Gift Acceptance Policies

Rockingham County Historical Society Museum and Archives (hereinafter referred to as “MARC”), is a tax-exempt, non-profit organization under Section 501 (c)(3) of the Internal Revenue code. As such, contributions are deductible to the full extent of the law. MARC’s 501c (3) Federal Taxpayer Identification number is 23-7057021. MARC is incorporated under the laws of the state of North Carolina. **MARC encourages donors to consult with their own professional tax advisors when making charitable gifts.**

MARC encourages the solicitation and acceptance of gifts that enable the MARC to fulfill its mission. Philanthropic gifts are essential to ensure that MARC continues to be able to meet its mission:

“The Rockingham County Historical Society Museum and Archives is dedicated to preserving, disseminating, and exhibiting the history, culture, human and natural resources of Rockingham County, North Carolina, for the benefit of present and future generations.”

MARC’s fundraising programs adhere to the Association of Fundraising Professionals Standards of Professional Practice and follow generally accepted accounting standards.

MARC will accept only those gifts that are consistent with the MARC’s mission, purposes, and programs. These policies and guidelines govern the acceptance and valuation of gifts by the MARC and provide guidance to prospective donors and their advisors when making gifts to the MARC for both general development practices and campaign practices. The provisions of these policies will apply to all gifts received by MARC for any of its programs or services. Philanthropic gift and grant policies are subject to changing laws, rules, and regulations; therefore, they should be reviewed and revised regularly.

The greatest possible credit will be given to each donor within the guidelines, keeping in mind MARC’s mission, its development objectives, and its long-term financial health.

These gift acceptance guidelines and policies have been established as a framework for the solicitation, receipt, acceptance, management, reporting, use, and disposition of contributions to MARC. See APPENDIX B: Donor Bill of Rights

These guidelines and policies have been put in place to:

- Assure that all donors are treated equitably
- Assure that the best interests of donors as well as the best interest of MARC are satisfied
- Avoid misunderstanding or uncertainty of donor gift intentions
- Offer donors a range of gift opportunities to encourage the largest possible gift
- Emphasize the importance of coordinated gift solicitations, to avoid duplication and prevent organizational embarrassment
- Assure that donors of planned gifts are advised to employ their own legal or tax counselors and that all legal documents associated with their planned gifts are reviewed by the donor’s own legal or tax counselors
- Assure that requests for gifts or grants comply with ethical business, professional, and philanthropic practices, avoiding conflicts of interest in present or future donor relationships

- Protect MARC’s tax-exempt status from potential abuse

The goal is to encourage funding of MARC without encumbering the MARC with gifts which may prove to generate more cost than benefit, or which are restricted in a manner that is not in keeping with the mission of the MARC.

To optimize funding from individuals and other entities, MARC must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. It is understood that, except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained since some gift situations can be complex, and decisions can only be made after careful consideration of any number of interrelated factors. Therefore, these gift policies will in some instances require that the merits of a particular gift be considered by the Executive Director and President who may then choose to defer the final decision to the Board of Directors.

These gift policies will be reviewed periodically by the President and the Executive Committee to ensure that they reflect relevant changes in IRS regulations, accounting standards, or other applicable guidelines.

VALUATION OF GIFTS

The Board of Directors of MARC authorize the Executive Director and the President to value gifts for internal accounting and reporting purposes only (other than cash, which should be valued at dollar face value) in an appropriate manner in accordance with sound accounting principles and the Internal Revenue Code. Guidelines for such valuations follow.

Full responsibility rests on the donor for claiming any deductions, including when required filing Internal Revenue Service forms and any associated appraisals and other documentation. Full responsibility also rests on the donor for the value given to tangible personal property or services, and donors will be expected to give MARC a written statement of value for these types of gifts.

TYPES OF GIFTS ACCEPTED AND CREDITING GUIDELINES

The following assets are acceptable as described, as outright gifts, as bequests or devises (estate gifts), or when appropriate, as funding for split-interest gifts such as charitable remainder trusts, gift annuities, or lead trusts, as determined by the Internal Revenue Code.

MARC will not accept any interest in property that may lead to prohibited transactions described in the Internal Revenue Code.

A. CURRENT GIFTS

1. Cash

Cash and checks will be accepted regardless of the amount. The value of any cash gift is the face value of the check or cash.

All checks must be made payable to MARC. Checks made payable to an employee, agent, or volunteer—that is, anyone officially representing MARC—for MARC’s benefit will not be accepted as a gift to MARC.

MARC will accept checks—generally intended to honor a person or the memory of a person—made payable to someone else and endorsed to MARC but will issue the receipt to the person to whom the check was written and who endorsed the check. Likewise, if cash or several checks are received and deposited by one person who then writes a check to MARC, the gift acknowledgement letter will go to the person who writes the check. However, whenever names and addresses of the original “donors” can be discerned, “soft credit” will be given to them for the amount of their “gift” and an

acknowledgment letter (without tax receipt) will be sent. Persons who intend to make a tax-deductible gift should make their checks payable directly to MARC.

2. Securities

Securities with no transfer restrictions can be accepted as outright gifts or payment toward pledges in accordance with established MARC procedures. For instructions on how to transfer securities to MARC, contact the President. MARC will sell securities as soon as received.

A. Publicly Traded Securities

In general, listed securities, or securities actively traded will be accepted by MARC regardless of amount. However, the MARC may decline to accept a gift of stock when the value is so low as not to warrant the burden of accepting and selling it.

No employee or volunteer working on behalf of MARC may commit to a donor that a particular security will be held by MARC, sold through a specific broker, or traded on instructions of the donor. The donor is not eligible to receive a charitable income tax deduction unless he or she gives up all incidents of ownership, including the right to direct what happens to the stock after the gift is made.

The value of a gift of securities will be the mean of the high and low value of the stock on the day the transfer is made from the donor to MARC. Brokerage fees or changes in value after the receipt of the stock do not affect the value credited to the donor.

B. Closely Held Securities

Securities in closely held corporations, S corporations, or otherwise privately held securities will be accepted only upon approval of the Executive Director and President and acting with qualified legal and financial advice.

The value of unlisted closely held securities is the last sale of the stock or a price attested to by an acceptable independent authority. An appraisal in the form required by the Internal Revenue Service is required for gifts of closely held securities valued at over \$5,000.

C. Mutual Fund Shares

Mutual Fund shares with no transfer restrictions can be accepted as outright gifts or payment toward pledges in accordance with established MARC procedures. MARC will sell securities as soon as they are received.

The value of a mutual fund share will be its net asset value (NAV) or public redemption price on the valuation date, or, if unavailable, the price quoted by the fund for the first available date preceding the valuation. The gift is complete when the shares are received by MARC, and the value for gift purposes is made on that date. A qualified appraisal will not be required.

3. Real Estate

Real estate will be accepted only upon approval of the Executive Director and the President of the Board of Directors. In general, real property that is mortgage free is acceptable with a minimum value of \$25,000. Full interests, partial interests, and remainder interests in real property are all acceptable. (Remainder interests in real estate are contracts rather than real property per se.) The donor must secure a qualified appraisal of the property. MARC will also secure an independent property appraisal.

Conditions for acceptance of real estate will include salability, the absence of hazardous or toxic substances, evaluation of any liens, and overdue real estate taxes against the property. Donors may be asked to sign a statement regarding liability for previous and current environmental or other conditions if MARC deems it appropriate.

Prior to acceptance of the real property, the gift will be approved by the Executive Director and President in consultation with the MARC's legal counsel. Criteria for acceptance of the property will include, but not be limited to the following:

- Consideration of the property's usefulness for the purposes of the MARC
- Confirmation of the marketability of the property
- Confirmation that there are no restrictions, reservations, easements, or other limitations associated with the property
- Assurance that there are no carrying costs or encumbrances, which may include insurance, property taxes, mortgages, mechanical liens, or notes, etc., associated with the property
- An environmental audit to confirm that the property is not damaged

Donors of real estate gifts with retained life tenancy will be expected to agree to pay all property taxes, maintain the property, and provide adequate insurance on the property. A bargain sale is one in which MARC is provided the opportunity to purchase property at less than its fair market value. The gift is usually the difference between the sale price and the market value. Bargain sale gifts will be recorded and counted at the fair market value of the gift portion at the time of the gift transfer.

4. Tangible Personal Property

Tangible personal property (no minimum dollar valuation) will be accepted only upon approval of the MARC. Gifts of tangible personal property valued at \$5,000 or more (e.g., jewelry, coin collections, art, etc.) require an independent appraisal of fair market value, which will be obtained and paid for by the donor. Conditions for accepting gifts include salability or as-is usability and MARC's current needs for the type of property offered, physical condition of the property, cost of any storage or insurance needed, and any other unusual feature or condition involved in the transfer. The MARC will follow IRS-mandated procedures for reporting any resale of such gifts within two years.

The MARC will generally not accept personal property that obligates the MARC to retain ownership in perpetuity.

5. Other Personal Property

Other property of any description, including mortgages, notes, copyrights, royalties, easements, whether real or personal, will be accepted only upon approval of the Executive Director and the President with qualified legal and financial counsel.

6. Gifts-In-Kind

The Executive Director and President will oversee the acceptance of all gifts-in-kind. Gifts of personal tangible property and other tangibles such as equipment or consumables to be used in the course of MARC's business will be recorded and may be counted at the fair market value at the time of the gift transfer in accordance with relevant U.S. tax regulations. An appraisal will be necessary for the gift recording and counting of all gifts-in-kind to be converted to cash by MARC, but not for property retained for MARC's use. An appraisal may not be required for gift recording and campaign counting of gifts-in-kind of less than \$5,000 to be retained by MARC for its use.

Criteria for acceptance of the tangible or personal property or Gifts-In-Kind will include, but not be limited to the following:

- Consideration of the property's usefulness for the purposes of the MARC

- Confirmation of the marketability of the property
- Confirmation that there are no restrictions on the uses, display, or sale of the property
- Consideration of the carrying costs of the MARC for the property

The value of a person's or organization's time or service is not considered a charitable contribution and is not countable, regardless of whether the individual assists as a volunteer or as a professional providing a service (e.g., accounting, legal work, or consulting).

7. Gifts from Qualified Retirement Plans

In general, lifetime gifts of qualified retirement plan assets will not be accepted.

8. Partnership and Limited Liability Company Gifts

MARC will not generally accept interests in sole proprietorships or general partnerships. All proposed gifts of interests in limited partnerships and limited liability companies will be reviewed by the Executive Director and the President before acceptance to determine potential liability on MARC's part. Limited partnership gifts and limited liability company gifts will be recorded and counted at fair market value of the gift at the time of the gift transfer. For most such gifts, the fair market value will be determined by an appraisal provided by the donor from an independent expert appraiser. An appraisal will be required for counting of all partnership gifts or limited liability company gifts.

9. Matching Gifts

Matching corporate gifts are considered gifts from businesses or foundations. Although they will not count to the credit of the individuals whose gifts they match, each matching gift will be incorporated with the individual's gift to benefit the charitable purpose designated by the donor, unless rules of the matching entity preclude such use by MARC. "Soft credit" may be given to the individual donor and applied to donor's gift for purposes of recognition. Potential matching gifts may not be included in a donor's pledge and will not be counted toward a campaign goal or total until such gifts are received by the MARC.

10. Other Assets and Forms Gifts May Take

The Executive Director and President will oversee the acceptance of all other types of gifts that are not mentioned in this policy and that may be acceptable within reason for the purpose given, and in an amount appropriate for the gift type. They are expected to use fiscally and legally sound rationale for acceptance, and to defer to the Board of Directors and/or legal counsel when appropriate. This policy should serve as a general guideline under such circumstances.

B. DEFERRED GIFTS

In the case of future gifts, valuation is determined by Generally Accepted Accounting Principles (GAAP).

1. Life Income Plans

MARC accepts two types of life income plans:

- Those handled by commercial fiduciaries, where MARC will receive the corpus; these will be counted as "future" gifts
- Those handled by an outside fiduciary, where the corpus will remain at the fiduciary and MARC will receive income annually; the income only from these will be counted when received

Irrevocable life income plans will be credited to the donor's record at the discounted value of the irrevocable remainder to MARC. It is important to note, however, that a donor will be recognized by MARC for their gift at its face value. This means that for both gift acknowledgements and invitations to

celebratory events that are triggered by giving levels, the face value of the gift rather than the discounted value will be the determining factor. Reports will include both values.

2. Life Insurance

The Executive Director and the President will oversee the acceptance of all gifts of life insurance. MARC may be named as a percentage or contingent beneficiary of a life insurance policy. The donor will receive no charitable income tax deduction but may receive an estate tax deduction.

MARC will accept gifts of life insurance policies without regard to face value amount, so long as MARC is not required to expend funds from sources other than the donor to maintain the contract. For a gift of an existing life insurance policy not yet paid up, the donor may take a tax deduction for the cash surrender value of the policy at the time it is transferred to MARC. The donor then may continue to cover the annual premium after the policy is transferred by donating the amount of the premium to MARC without restriction. These amounts are fully deductible in the year given.

A donor may name MARC as both owner and beneficiary of an existing life insurance policy that is fully paid up and receive a charitable income tax deduction roughly equal to the cost basis in the policy or its replacement value, whichever is less.

A donor may also establish a new life insurance policy naming MARC as owner and beneficiary. By making unrestricted annual donations directly to the MARC to cover the premiums, a donor receives a full tax deduction for these gifts.

All gifts of life insurance policies and premiums will be credited as “future gifts.”

3. Bequests

Bequests received will be counted at face value at the time received. Unrestricted bequests will be designated to the highest need of the MARC as determined by the Executive Director and the Director of Philanthropy; this may include both operating and endowment purposes.

Bequest expectancies may be counted toward fundraising goals when accompanied by proper documentation establishing the irrevocability of the future gift. Those from donors who are at least 80 years old will be valued and recognized at full face value. Donors younger than 80 years of age will be recognized for the full value of their future gift, but that amount credited toward campaign goals will be discounted according to the donor’s actuarial life expectancy. Bequest expectancies may be counted toward fundraising goals when accompanied by proper documentation.

4. Matured Deferred Gifts

The difference between the gift amount originally recorded and the amount actually received is a realized gain or loss, and there will be no adjustments to the original value of the future gift.

However, if the original deferred gift is counted for a multi-year fundraising campaign and the gift matures within the campaign period, the gift may be reclassified from a deferred gift to a current gift and the full amount received may be realized as a contribution to the campaign.

C. PLEDGES

Pledges will be in writing, signed and dated, and include the specific total amount of the pledge, the method of payment (cash, securities, etc.), and the approximate payment schedule. Pledges will be recorded in accordance with GAAP guidelines. Only the entity exercising legal control over the assets to be given can make a pledge. Therefore, an individual cannot make a pledge that includes anticipated matching contributions from an employer, donor advised fund, or community foundation.

Pledges to the Annual Fund are typically payable within the same fiscal year as they are committed. However, a donor may make an Annual Fund pledge payable over many years (generally up to five years); in this case, for donor recognition purposes, the amount paid each year is credited to that year's Annual Fund campaign. Annual Fund pledges that are not fulfilled in the specified time period are either renegotiated or removed from pledge records.

Payments for multi-year pledges for any purpose normally will not be accepted over more than five years. Exceptions for very large or unusual gifts may be authorized by the Executive Director and Director of Philanthropy. The value of pledges extended beyond five years may be discounted for accounting and donor recognition purposes, in accordance with CASE Management Reporting Standard and GAAP.

GIVING PURPOSES

A. Unrestricted Current and Deferred Gifts

Except as modified or prohibited within this document, MARC will accept current and deferred gifts that are not restricted in any way. Unrestricted donations of \$100,000 or more will be evaluated by the Board of Directors to ensure their best use for the organization.

B. Restricted Current Gifts

1. Gifts under \$1,000

a. Cash and Securities

MARC will accept restricted gifts in any amount when the restriction already exists in the form of an established fund at the time the gift is made. Restricted gifts will also be accepted where the gift is usable by MARC at the time the gift is made, even if a fund does not exist.

b. Non-Cash Gifts

Once accepted under this policy, non-cash gifts may be restricted under the same guidelines as cash and securities. MARC will decide whether the gift will be sold, held for eventual use, or put to a "related use" as defined by the Internal Revenue Code.

2. Gifts of \$1,000 or greater

a. Cash and Securities

Donors may make restricted gifts to MARC where the restricted fund exists or where the Executive Director and President or other appropriate persons, agrees to the restriction.

b. Non-Cash Gifts

Restricted gifts are acceptable as above. Donors may be advised before making the gift whether the gift will be sold, held for eventual use, or put to a "related use" as defined by the Internal Revenue Code.

C. Restricted Deferred Gifts

1. Estate Gifts (wills, trusts, life insurance, other instruments)

MARC will encourage unrestricted estate gifts or unrestricted estate gifts directed to an endowment fund, since specific restrictions may become inactive or non-existent over time.

MARC will also accept restricted estate gifts, although it reserves the right to decline them when it feels it is necessary. Upon a donor's request, MARC will provide language to assist in establishing restricted estate gifts. The sample language will include the following: "If the uses for which this fund was intended are no longer possible or practicable, the Board of Directors may designate a related alternate use for the income, retaining the name of the fund and staying as close as possible to the original intent of the donor."

Gifts received where MARC had no prior knowledge of the amount or nature of the gift, will be treated as if the language above had been included, unless legally impossible. Gifts of \$10,000 or less will be placed in unrestricted endowment when the restriction can no longer be followed.

2. Other Planned Gifts (remainder trusts, gift annuities, etc.)

Gifts received through MARC's planned giving efforts will be handled in accordance with MARC's Investment Policies.

Gifts distributed to MARC, where MARC had no prior knowledge of the gift instrument or the gift's restrictions, will be handled on a case-by-case basis. MARC reserves the right to decline restricted gifts from planned giving instruments.

ENDOWMENT GIFTS

A. Existing Endowment Funds

MARC will accept gifts of any size that are designated for an existing named or unnamed permanent endowment fund.

B. New Endowment Funds

MARC encourages donors to establish new permanent endowments.

The Board of Directors has set different minimum funding levels for different types of endowments:

- \$10,000 will establish an unrestricted endowment to support the MARC. At this level, one can name an endowment for themselves, their family, friend, company, etc. The endowment will be recorded as "The [Name of Your Choice] Endowment Fund."
- \$25,000 will establish an endowment restricted to a specific purpose, insofar as it is consistent with the mission, vision, bylaws, and policies of the MARC.

An endowment agreement will be created by the MARC and provided to the donor. This agreement must be signed by both the donor and the Executive Director. This agreement permanently defines the purpose of the fund.

Donors must meet the minimum endowment amount in five years or less after signing a gift agreement. Should the minimum amount not be met in that time period, any previous funds given will be rolled into the MARC's general endowment fund.

All new endowment agreements with funding of \$25,000 or more must be reviewed and approved by MARC's legal counsel. Agreements funded with less than \$25,000 may be reviewed and approved by MARC's legal counsel as deemed appropriate by the MARC.

All endowed funds will be managed and payout rates will be set in accordance with the MARC's Investment Policies. The spending distribution from each endowment fund is used to support the

purpose as specified in the endowment agreement between the donor and the MARC. The MARC may assess reasonable charges against the market value of and/or distributions from the endowment to help defray certain expenses including development and indirect costs associated with administering the endowment, such as administrative support.

Once an endowment reaches the minimum funding level of \$30,000 and starts generating spendable income, MARC will begin sending annual reports to the donor detailing the value and use of the endowment fund.

NAMING OPPORTUNITIES

MARC will establish named gift protocols for specific funds, buildings, programs, or other initiatives. Such protocols will establish named gift levels and opportunities. Names for endowed funds and school facilities are subject to final approval by the MARC.

A. Naming Endowment Funds

Naming opportunities are available for new endowment funds, subject to the guidelines of New Endowment Funds outlined above.

B. Honorary Naming

MARC reserves the right to honor, through appropriate naming opportunities, any individual or family irrespective of the individual or family's giving record. Most often such honors are made posthumously, in consultation with the family.

C. Naming Through Planned Giving

Endowment funds of appropriate size may be named as a planned gift donor specifies. In general, MARC reserves building naming opportunities for current gifts and living donors. Use of an estate or planned gift to name property is not preferred but will be considered on a case-by-case basis. Unless legally impossible, MARC will treat estate and planned gifts with naming elements as a request. MARC will honor the request at the final distribution of the gift when the name is appropriate and when the gift meets minimum funding for the naming opportunity at the time of distribution. MARC reserves the right to decline gifts with naming restrictions.

D. Naming of Space or Building

Naming opportunities for spaces and buildings are available through Board of Director authorization by the recommendation of the Executive Director and the Executive Committee. Naming of a space or building will exist for the useful life of the space.

E. Morals Clause

If at any time the donor or honoree fails to conduct themselves without due regard to public morals and decency, or if they commit any act or become involved in any situation or occurrence tending to degrade them in the community, or which brings them into public contempt or scandal, or which materially and adversely affects the reputation or business of the nonprofit, whether or not information in regard thereto becomes public, the Board of Directors will have the right to remove their naming rights. The removal of a name or names from a space, building, or endowment fund does not in any way provide a right of a refund or return of a gift to the donor.

RECOGNITION AND CONFIDENTIALITY

A. Donor Stewardship and Recognition

All donors to MARC will be properly acknowledged and thanked for their generosity in a timely manner, with receipts that include the amount of the gift or a description of the gift if it is a gift of personal property, the date of the gift, and purpose of the gift.

MARC will publish annual reports listing all donors in general giving categories without identification of specific gift amounts. If donors notify MARC that they wish to have their names withheld from these reports, they will be listed as anonymous within the alphabet at "Anonymous," with a number indicating the total of those wishing anonymity.

B. Confidentiality

MARC will ensure that information about donations is handled with respect and with confidentiality to the extent provided by law.

POLICY EXCEPTIONS

A. General Exceptions

Exceptions to this policy must receive the recommendation of the Executive Director and the approval of the Board's Executive Committee or its designee(s).

B. Exceptions for Completed Gifts and Gifts Under Negotiation

Gifts made through estate plans that have been properly executed prior to the date of this policy, and gifts already received by MARC are grandfathered under this policy. Gifts under negotiation at the time this policy is adopted need not conform to the policy but will be accepted based upon the spirit of this policy and the specific terms negotiated with the donor.

C. Reviewing Gifts for Conformity

Gifts established with a written agreement will be reviewed periodically, and action will be taken to make the gift agreement conform to current law and to the MARC's policies when necessary or appropriate for MARC's wellbeing. Donors are responsible for conforming gifts where MARC is not the trustee or gift manager.

D. All Other Gifts

When situations arise that do not follow under these categories, the MARC will refer to IRS Publication 526, *Charitable Contributions*.

APPENDIX A

DONOR BILL OF RIGHTS

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when contributing and to receive prompt, truthful and forthright answers.

The text of this statement in its was developed by referencing the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP).

A great reference document can be found on the Association of Fundraising Professionals Global website – [Developing Fundraising Policies and Procedures](#).