



## MUSEUM of NORTHERN ARIZONA

### Gift Acceptance Policy

The Museum of Northern Arizona (MNA), is a private, nonprofit, member-based institution dedicated to inspiring a sense of love and responsibility for the beauty and diversity of the Colorado Plateau through collecting, studying, interpreting and preserving the region's natural and cultural heritage. Founded in 1928 through the philanthropic vision of Harold S. Colton and Mary-Russell Ferrell Colton, the Museum has always depended on the generosity of visionary donors and benefactors who help fulfill our mission.

To assist donors and their advisors, the MNA has developed this gift acceptance policy to set forth policies and procedures for acceptance of charitable gifts to the Museum and its affiliated Foundation. It is our hope that this document will help guide donors as they consider including the Museum in their philanthropy and we have included information and opportunities to commemorate and recognize our donors.

#### I. Purpose of Policies

This statement articulates the policies of the Executive Committee of the Board of Trustees of the Museum concerning the acceptance of charitable gifts and provides guidance to prospective donors and their advisors when making gifts to the MNA. The Development Director of the MNA will implement appropriate procedures to apply these policies.

#### II. Responsibility to Donors

- A. *Commitment to a Donor-Centered, Philanthropic Approach:* The MNA, its staff and volunteer representatives shall endeavor to assist donors in accomplishing their philanthropic objectives in a donor-centered way. In many circumstances, this may involve the donors' professional advisors, as charitable support is often integrated with overall tax, estate and financial planning.
- B. *Confidentiality:* Information concerning all transactions between a donor and the MNA shall be held by the MNA in confidence, and may be disclosed only with the permission of the donor or the donor's designee.
- C. *Anonymity:* The MNA shall respect the wishes of any donor offering anonymous support and will implement reasonable procedures to safeguard such donor's identity.
- D. *Ethical Standards:* The MNA is committed to the highest ethical standards. The MNA, its staff and volunteer representatives shall adhere to the highest ethical standards. The MNA will not accept gifts if there is a question as to the title/ownership of the asset or the donor's competency to transfer an asset.

### III. Legal Considerations

- A. *Compliance:* The MNA shall comply with all local, state and federal laws and regulations concerning all charitable gifts it encourages, solicits or accepts, including the Arizona Management of Charitable Funds Act. All required disclosures, registrations and procedures shall be made and/or followed in a thorough and timely manner.
- B. *Endorsement of Providers:* The MNA shall not endorse legal, tax or financial advisors to prospective donors.
- C. *Finder's Fees and Commissions:* The MNA shall not pay fees or commissions to any person as consideration for directing a gift by a donor to the Museum.
- D. *Legal, Tax and Financial Advice:* The MNA shall inform prospective donors that it does not provide legal, tax or financial advice, and shall encourage prospective donors to discuss all charitable gift planning decisions with their own advisors before entering into any commitments to make gifts to the Museum.
- E. *Preparation of Legal Documents:* The MNA shall not prepare legal documents for execution by donors. The MNA may provide model language, approved by MNA counsel, such as sample bequest language, or gift agreements, but shall encourage prospective donors to have this language reviewed by their own advisors.
- F. *Payment of Fees:* It will be the responsibility of the donor to secure an appraisal (where required) and to pay for the advice of independent legal, financial, professional advisors, or corporate Trustees, as needed for all gifts made to the MNA.
- G. *Service as Executor or Living Trust Trustee:* The MNA will not agree to serve as executor of a decedent's estate or as trustee of a living trust or other trust intended to serve as a person's primary estate planning document.
- H. *Use of Counsel:* The MNA shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate, and as directed by MNA Board Chair or Executive Director and CEO.

### IV. Gift Acceptance

- A. *Gift Acceptance Committee:* The GAC shall be made up of the Chair of the Board, Chair of the Development Committee, the Development Director, the Finance Director and the Executive Director and CEO of the MNA and the Chair of the MNA Foundation or their designated Foundation Trustee. The MNA's legal and financial counsel shall be consulted as needed.
- B. *Gift Acceptance Procedures:* The MNA is authorized to accept all gifts permitted by this policy based on review and approval of the Gift Acceptance Committee.
- C. *Approval of Exceptions:* Acceptance of gifts outside the scope of this policy requires the unanimous, written approval of the Gift Acceptance Committee. At the discretion of the Board Chair, such cases shall be brought to the Board for review and action.

- D. *Agreements:* The MNA generally uses charitable pledge agreements to document gift commitments. The GAC shall create and maintain samples for use by staff and volunteer leadership. All such agreements shall include a short profile of the donor, the donor's commitment and time frame for payments, the MNA's commitment (including restrictions), how the completed gift will be managed, alternative use and saving language, stewardship, and donor recognition. The MNA encourages written pledge agreements for unrestricted gift commitments although a simple letter, pledge card, or email documenting the gift amount and payment schedule may be substituted for a formal pledge agreement. All commitments of more than \$100,000 should be formalized in a written pledge agreement. All commitments subject to restrictions, including restricted endowment gifts, must be documented in a written pledge document agreed to by the Donor and the MNA Gift Acceptance Committee. Donors who have established private foundations and/or donor advised funds, should consult their advisors concerning any proposed charitable pledge agreement.

## V. Gift Restrictions

The MNA seeks to achieve a balanced approach to gift development that includes unrestricted gifts, restricted gifts and grants as well as endowment gifts to the MNA and its independent Foundation that exists solely to support MNA while providing donor confidence and creditor protection.

- A. *Unrestricted Gifts:* To provide the MNA with maximum flexibility in the pursuit of its mission, donors shall always be encouraged to consider unrestricted gifts or gifts restricted to budgeted priorities of the Museum. As a general rule, gifts or pledges of less than \$10,000 shall be managed as unrestricted gifts by the MNA, although donors may elect to designate such gifts to pooled funds for specified purposes.
- B. *Budgeted Programs or Facilities:* The MNA may accept gifts restricted to specific budgeted programs, purposes, facilities, or endowments. All gifts of \$10,000 or more may be restricted for budgeted programs, and gifts of \$100,000 or more may be managed as named funds, recognizing the name of the donor.
- C. *Other Restrictions on Gifts:* The MNA may accept gifts restricted to non-budgeted programs and purposes only upon the prior, written approval of the Executive Director and CEO and approval by the Gift Acceptance Committee. The MNA reserves the right to decline gifts which are too restrictive in purpose, too difficult to administer, or for purposes outside of its mission.
- D. *Unrestricted Future/Planned Gifts:* All unrestricted gifts and bequests of less than \$100,000 shall be allocated at the discretion of the Executive Director and CEO. Unrestricted gifts and bequests of \$100,000 or more shall be designated as to their use by the Gift Acceptance Committee.

**VI. Types of Assets** - These assets may be considered for acceptance by the MNA subject to the following criteria:

- A. *Cash*: Acceptable in U.S. Legal tender, including currency, check and credit card gifts.
- B. *Securities*:
  - 1. *Publicly Traded Securities*: Stocks, bonds and mutual funds traded on an exchange or other publicly reported market that are easily converted to cash on receipt, and that do not incur financial obligations to MNA are acceptable.
  - 2. *Closely Held Securities and Business Interests*: Debt and equity positions in non-publicly traded businesses, hedge funds, REITs, interests in limited liability companies and partnerships may only be accepted upon prior written approval of the GAC after review by MNA legal counsel and the MNA Board.
  - 3. *Options and Other Rights in Securities*: Warrants, stock options and stock appreciation rights may only be accepted upon prior written approval of the GAC and subject to our ability to liquidate them without incurring potential obligations to the MNA.
- C. *Life Insurance*: The MNA will consider accepting a gift of ownership of life insurance after review of all relevant information regarding the policy. The MNA does not pay insurance policy premiums.
- D. *Real Property*: Personal and commercial real property, real estate interests, and remainder interests in residential property (gifts subject to a retained life estate) may only be accepted upon prior written approval of the GAC after review and consultation with counsel, including appropriate environmental screenings and conservation easements. For gifts subject to a retained life estate, the donor or primary life beneficiary shall be responsible by written agreement for all expenses during the life tenancy, including but not limited to maintenance, real estate taxes, assessments and insurance.
- E. *Tangible Personal Property*: Jewelry, books, works of art, collections, musical instruments, equipment and other tangible personal property may only be accepted after review by the GAC. The MNA Collections Policy shall govern all gifts of works of art to be accessioned by MNA for its permanent collection.
- F. *Other Property*: Property not otherwise described in this section, whether real or personal, of any description (including but not limited to mortgages, notes, contract rights, copyrights, patents, trademarks, mineral rights, oil and gas interests and royalties) may only be accepted upon prior written approval of the GAC after consultation with counsel and in all cases shall be considered in relation to our ability to convert it to cash or income to MNA's benefit.

## **VII. Structured Current Gifts**

- A. *Bargain Sales:* Transactions wherein the MNA pays less than full value for an asset and issues a gift receipt for the difference may only be accepted upon prior written approval of the GAC after review with counsel.
- B. *Charitable Lead Trusts:* The MNA may accept a designation as income beneficiary of a charitable lead trust administered by a trust company, or other fiduciary. The Museum will not serve as trustee of a charitable lead trust.
- C. *IRA Charitable Rollover:* The MNA may accept all gifts directly transferred from an IRA.
- D. *Matching Gifts:* The MNA will accept all matching gifts, subject to the terms and conditions of Section VI.
- E. *Other Structured Current Gifts:* The MNA may only accept other structured current gifts with prior written approval of the GAC after review by counsel.

## **VIII. Future Gifts**

- A. *Charitable Remainder Trusts*
  - i. Minimum funding amount: \$100,000
  - ii. Minimum age(s): 55
  - iii. Maximum number of lives: Two
  - iv. Ultimate beneficiary: The MNA for 50% or more irrevocably with the MNA share at least meeting the minimum funding amount.
  - v. Payout rate: Appropriate market rate at the time the trust is created.
  - vi. Minimum charitable remainder: 25% of the funding amount (using the income tax charitable deduction methodology)
  - vii. Payment schedule: Quarterly, semi-annual or annual
  - viii. Funding assets: Prior written approval of the GAC is required for assets other than cash or publicly traded securities.
  - ix. The MNA retains right under the trust agreement to name a corporate trustee.
  - x. Costs charged to the trust: Investment management, administration, legal counsel and tax return preparation.

- B. *Future Gifts Not Subject to a Payment Interest*
  - 1. *Gifts by Will or Living Trust:* Donors and supporters of the MNA will be encouraged to designate the MNA as a beneficiary of their wills or living trusts.
  - 2. *Retirement Plan, Life Insurance and Other Beneficiary Designations:* Donors and supporters of the MNA will be encouraged to designate the MNA as beneficiary or contingent beneficiary of their retirement plans, life insurance policies and other accounts on which they can name a beneficiary.

**IX. Donor Recognition**

- A. *General:* The Board, upon recommendation of the GAC and MNA Development staff, will establish criteria for the recognition, honoring and stewarding of donors.
- B. *Naming Opportunities:* The Board, upon recommendation of the GAC and MNA leadership, shall review and approve a schedule of naming opportunities which may be offered to MNA benefactors. Such opportunities may include named spaces within the Museum campus, named endowed positions and named endowed funds for programs. Recognition must be provided in accordance with the schedule approved by the Board. Except in the case of naming opportunities that appear on a schedule approved by the Board, the staff of the MNA shall make no commitments to donors concerning the naming opportunities without the approval of the MNA Board as recommended by the GAC. Naming opportunities shall be offered to donors based on the value of their contribution and the order in which such commitments are received by the MNA in written gift agreements. Campaign recognition will be given in consideration of a donor's lifetime giving.

**X. Reporting and Valuation Standards**

*Gift Reporting and Counting:* Outright gifts shall be valued at their fair market value on the date of gift and in accordance with Gift Crediting Guidelines.

**XI. Periodic Review**

- A. *Regular Review:* The GAC shall review these policies in even numbered years to ensure that they continue to accurately describe the desired policies of the MNA with respect to acceptance of charitable gifts, and shall propose to the full Board for ratification those revisions that the GAC shall determine to be necessary or appropriate.

- B. *Special Review:* The GAC shall initiate a supplemental review of these policies upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by the MNA or prior to the start of a formal fundraising campaign. All proposed changes shall be shared with the full Board for ratification.