

# GUNFLINT TRAIL HISTORICAL SOCIETY GIFT ACCEPTANCE POLICY

Approved March 12, 2019

## I. FUND RAISING

### A. Procedure

All fund-raising activities to be conducted in the name of The Gunflint Trail Historical Society (GTHS) must secure the approval of the Executive/Finance Committee and the Board of Trustees

### B. Receipt and Accounting

All gifts and monies raised in the name of GTHS will be received through the Chik-Wauk Campus Director and recorded in the Administrative office into the GTHS's accounting system.

### C. Gifts to GTHS

#### 1. Unrestricted Gifts

##### a. Cash

1. Gifts in the form of cash and checks shall be accepted unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to the GTHS.
2. All checks must be made payable to Gunflint Trail Historical Society and shall never be made payable to an employee, agent, or volunteer for the credit to the GTHS.

##### b. Non-Cash

1. **The GTHS will consider all non-cash donations (Publicly Traded Securities & Closely Held Securities) \* for their cash value at the time of acquisition. Such non-cash donations will not be held and will be liquidated in an expeditious manner after the donor transaction closes.**

##### c. \* Publicly Traded Securities

1. Publicly traded securities may be accepted by the GTHS.
2. The Administrative office will be promptly notified of the receipt of securities on the date that the securities have been legally and irrevocably transferred to the GTHS or its agent.
3. Securities will be valued at the average of the high and low trading price on the day the gift is legally and irrevocably transferred to the GTHS or its agent.

##### d. \* Closely Held Securities

1. Non-publicly traded securities may be accepted only after approval of the GTHS Board of Trustees.
2. Such securities may be subsequently sold with the approval of the GTHS Board of Trustees.
3. Prior to completion of a gift, no commitments by the GTHS shall be made regarding repurchase of such securities.

##### e. Real Property

**(Every attempt should be made to determine that any proposed gift of real property is free from environmental contamination, has potential for a reasonably quick conversion to cash through sale and is free of encumbrances that would be detrimental to the Gunflint Trail Historical Society.)**

1. No gift of real property of any kind, including mineral interests, shall be accepted without prior approval by the GTHS Board of Trustees.

2. No gift of real property shall be accepted without a current appraisal, paid for by the donor, by a qualified appraiser as required by the Internal Revenue Service and acceptable to the GTHS.
3. Real property encumbered by a mortgage will not be accepted without full consideration of the GTHS Board of Trustees.
4. The GTHS prefers that the donor of any gift of real property first obtains an appropriate environmental site assessment. The GTHS also understands that this may not be necessary in Cook County with respect to residential or vacation property. Absent an environmental assessment, The GTHS shall rely on the input of informed real estate experts to provide the Board with environmental risk analysis before they approve the acceptance of the real estate parcel(s).
5. Gifts of real property which are accepted must be received and title must be recorded in the name of the Gunflint Trail Historical Society, a Minnesota non-profit organization. The donor pays all expenses associated with the transfer of title.
6. Prior to beginning final acquisition process, The GTHS will initiate discussion with the donor in regard to clarification and understandings that the Society may convert the property to cash through resale upon closing of the transaction.

**f. Tangible Personal Property**

1. In conert with the GTHS Acquisitions Policy, jewelry, artwork, tools, collections, and other personal property may be accepted as gifts if they can be used for instruction, as auction items or as fixtures for the GTHS. The donor is responsible for valuing such donation and obtaining the appropriate appraisal if required by IRS regulations.
2. Perishable items may only be accepted if they are to be consumed in a reasonable period during GTHS events.

**g. Other Property**

Other property including mortgages, notes, copyrights, royalties, easements, whether real or personal, may be accepted only upon approval by the Board of Trustees.

**h. Contributed Goods and Services**

1. The GTHS can receive contributed goods and services (gifts in kind) which may then be declared at fair market value on the donor's income tax return as a charitable contribution. Gifts of contributed goods and services that qualify as a charitable deduction for a donor will be counted at full fair market value. The donor has the responsibility for valuing property for tax deduction purposes.
2. Contributed goods and services may be kept for direct use by the GTHS or used to generate funds.

**D. Confidentiality**

Information learned by any representative of the GTHS about a donor or a donor's assets shall be held in strict confidence.

**E. Limitation on the Board**

Notwithstanding any other provision, no power or authority shall be exercised by the GTHS Board of Trustees in any manner or for any purpose that may jeopardize the status of the GTHS as an exempt corporation under Section 501(c)(3) of the Internal Revenue Code, or its regulations as they now exist, or as they may be subsequently amended.

**II. PAYMENT OF FEES RELATED TO GIFTS TO THE GTHS**

**A. Finder's Fees or Commissions**

No commission or finder's fee of any type will be paid to any party for the direction or completion of a gift to the GTHS.

**B. Professional Fees**

1. The GTHS will not pay fees for professional services rendered in connection with the completion of a gift to the GTHS. However, the GTHS will pay appropriate commissions or fees to professionals who assist the GTHS in the sale of donated property it seeks to convert to cash.
2. The GTHS may provide documents and other materials that will expedite the formation of planned charitable gifts. The GTHS shall not pay any fee, directly or indirectly, for the right to receive a gift. No person in the employ of the GTHS may accept any compensation or material benefit from a donor as a result of the gift planning process.

**III. RECOGNITION, USE, AND REJECTION**

**A. Recognition**

1. The GTHS will publicly recognize donor gifts unless the donor requests anonymity.
2. No promise of recognition by naming facilities or programs will be made without the prior approval of the GTHS Board of Trustees.
3. To express the GTHS's gratitude for planned gifts, the GTHS may offer permanent recognition in the following manner:
  - a. Charitable Remainder Trusts will be recognized at the full fair market value of the initial gift amount and any additions to trusts will be recognized at full fair market value.
  - b. Charitable Lead Trusts will be recognized at the value of the projected income stream over the life of the trust.
  - c. Gifts that are irrevocable because of their nature, such as a paid-up life insurance contract, will be recognized at the full value of the gift amount when the donation is made.
  - d. Revocable gifts, of whatever nature, will be publicly acknowledged and treated as other gifts, except that no permanent recognition will be offered unless and until the gift becomes irrevocable.

**B. Rejection**

If it is necessary for the GTHS to decline the offer of any gift, the GTHS president/or appointee will confer with the prospective donor regarding the reason(s) for GTHS's action.

**V. PLANNED GIFTS**

The GTHS encourages planned gifts which do not encumber the GTHS, or which are not restricted in a manner which is not in keeping with the mission of the GTHS or the Bylaws of the Organization. The GTHS Board of Trustees shall retain the right to decline, in its sole discretion, or to accept any planned gift.

The GTHS President/or appointee is authorized to negotiate planned gift arrangements with prospective donors, with assistance of legal counsel as needed.

The GTHS and its staff and volunteer representatives shall consider the interests of donors in planned giving. This shall include, but not be limited to, the donor's financial situation and philanthropic interests, as well as any tax or other legal matters discovered by our representatives while planning for a gift. A donor shall not be encouraged to make a gift that is inappropriate in light of the donor's personal or financial situation. Donors shall be encouraged to consult legal and financial counsel before making gifts.

Donors will be encouraged to notify the GTHS of their planned gifts, including bequests, and all such information will be kept confidential unless written permission to release it is obtained from the donor or his/her counsel.

**A. Bequests**

1. The GTHS will encourage gifts (bequests) through wills.
2. Gifts of property from estates of deceased donors which are not acceptable shall be declined only by approval of the GTHS Board of Trustees. The GTHS shall expeditiously communicate the decision of the Board to the legal representatives of the estate.
3. Attempts shall be made to discover bequest plans whenever possible in order to determine whether inappropriate property has inadvertently been left to the GTHS.

**B. Charitable Remainder Trusts and Other Life Income Gifts**

1. The GTHS will encourage charitable remainder trusts and other life-income gifts as a method of making gifts to the GTHS.
2. Charitable remainder trusts may be accepted only after approval of the GTHS Board of Trustees.
3. The GTHS will not serve as trustee of a charitable remainder trust which benefits the institution.
4. The GTHS will not pay fees for management of a charitable remainder trust.
5. No representations shall be made by any employees or other persons acting on behalf of the GTHS as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary.

**C. Charitable Remainder Gift Annuities**

The GTHS will not undertake to accept income-generating gifts, such as charitable remainder gift annuities, that require the GTHS to maintain a reserve from its own assets. The GTHS may, however, contract with a third-party 501(c)3 to administer charitable gift annuities. The GTHS shall, on a case by case basis, consider reinsuring each gift annuity.

**D. Pooled Income Funds**

The GTHS shall not maintain any pooled income funds.

**E. Life Estate Gifts**

Gifts in which the donor retains a life interest in the property, excluding property held in trust, may be accepted if approved by the GTHS Board of Trustees in situations where the asset involved appears to be a minor portion of the donor's estate, and the Board is satisfied there has been full disclosure to the donor of the possible future financial, legal, and estate consequences of the transaction.

**F. Gifts of Life Insurance**

1. The GTHS encourages donors to name GTHS to receive all or a portion of the benefits of life insurance policies which they have purchased on their lives.
2. The GTHS may be the primary, secondary, or residual beneficiary of life insurance or qualified plan benefits. The GTHS also may be a contingent or alternate beneficiary. Acceptable types of insurance include permanent or whole life and term policies.
3. The GTHS will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life unless GTHS has a legally insurable interest.