



GIFT ACCEPTANCE POLICY

PURPOSE

The following gift acceptance policies of the Annapolis Symphony Orchestra (ASO) were adopted by the Board of Trustees on 26 January 2019 and will serve as the official gift acceptance policies of the ASO.

The Annapolis Symphony Orchestra deeply values the individual, corporate, foundation, and government donors who make our work possible. Without broad and generous community support, it would not be possible for the Symphony to carry out its mission. The purpose of a Gift Acceptance Policy is to ensure that donors, staff, and Trustees all understand and carry out the best practices for soliciting, structuring, accepting, acknowledging, accounting for, and using the charitable contributions that enable our work. These policies are drawn from best practices observed by non-profit organizations around the country, and to the best of our knowledge they are in keeping with applicable current laws. The policies are meant to protect the interests and intentions of donors and ensure that contributed funds fulfill the mission of the Symphony and are handled with integrity, accuracy, and good business practices.

The Annapolis Symphony Orchestra endorses and abides by “A Donor’s Bill of Rights,” distributed by a consortium of national professional associations of fundraisers. It is Appendix A in this document.

Gifts accepted by ASO shall support or promote the mission of ASO. ASO may decline gift offers that create an unacceptable obligation upon ASO or that are not aligned with ASO’s mission or strategic plan.

The Executive Director will have responsibility for the oversight of gift funds relative to donor directives and ASO policies.

GENERAL POLICIES REGARDING GIFT ACCEPTANCE

Gift Acceptance: The Executive Director of the Annapolis Symphony Orchestra will have lead responsibility for determining the acceptability of gifts to the ASO. In making such determinations, the Executive Director will be guided by this gift acceptance policy and will consult with the Board of Trustees as stipulated in the board policy for accepting gifts. For planned gifts, gifts of real estate, or other gifts in which the ASO may incur liability, the Board of Trustees or its designee will have final acceptance authority. Each such proposed gift will be reviewed individually.

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Date of Gift Determination: Property physically delivered will be assigned the date of delivery. Items sent through the mail will be assigned the date of the postmark. This is of special importance at year-end, when the IRS requires gifts to be postmarked no later than December 31st in order for the gift to qualify as a charitable deduction in that year. Items sent through delivery services such as Federal Express or UPS will be assigned the date they arrive at the ASO. Real estate gifts are considered complete and delivered on the date a properly executed deed is delivered to the ASO. Securities will be assigned the date they are received into the ASO's account and in the ASO's control or the date stock certificates are received at the ASO offices. Gifts from Individual Retirement Accounts (IRAs), called Qualified Charitable Distributions (QCDs), may be treated more strictly by the Internal Revenue Service. The ASO should deposit such gifts by 31 December; to ensure this, Because of the Maryland Hall closure in late December, the ASO will guarantee timely deposit by 31 December only to QCD's received in the ASO office by 15 December.

Donor Recognition: As part of a donor recognition program, the ASO will recognize donors to the annual fund, endowment and capital campaigns as appropriate. Planned giving donors may be recognized as members of the Legacy Circle if a planned gift is documented and appropriate documents are filed with the Symphony.

Donor Confidentiality: Prior to execution of a gift, all information about donors and prospects identified by the Annapolis Symphony Orchestra will be considered confidential to all but those involved in solicitation and/or solicitation strategy, including without limitation the Chair of the Board, the Treasurer, and the chair of the Board's Development Committee. Mailing lists will not be made available to outside organizations. Annual Reports and concert programs, which include information about donations including donor name, gift level, and area of funding, are public information and will be made available upon request. Donors may make anonymous donations, and the ASO shall ensure that the identity of an anonymous donor remains strictly confidential, as defined in this paragraph.

Naming Opportunities: Naming opportunities will be handled on a case by case basis.

Named Funds:

- a) The minimum amount required to establish a new named endowment fund at the Annapolis Symphony Orchestra is \$50,000.
- b) Additional gifts to existing endowment funds may be made in any amount at any time.
- c) All naming opportunities, Endowment or otherwise, must be accepted by the Board of Trustees.

Stewardship and Gift Acknowledgement: The ASO will provide written acknowledgments to donors, meeting IRS substantiation requirements for such donations. The acknowledgement will provide the donor with the date, purpose, restrictions, and in the case of gifts of cash or securities, the value of the gift. Files of all gifts and acknowledgement letters are held in the ASO Office and copies will be available to donors in case of loss of the original.

Gift Valuation:

- a) Outright gifts of cash will be recognized at face value.
- b) The value of an outright gift of marketable securities will be recognized as the average of the high and the low trading prices on the date of gift multiplied by the number of shares gifted. (See IRS Publication 561)
- c) In-kind gifts will not be assigned a value by the ASO. Donors should consult current IRS regulations about gift valuations.

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- d) Gifts of paid-up whole life insurance policies in which the ASO is named irrevocably owner and beneficiary will be recognized at their present (actuarial) value.
- e) All deferred, planned, and testamentary gifts will be recognized according to the guidelines set forth by the National Association of Charitable Gift Planners.

Investments and Endowments: Investment of gifts to the endowment, whether unrestricted or restricted, shall be governed by the Investment Policy Statement of the Board of Trustees as it may be amended from time to time. Expenditure from endowment funds shall be governed by the Endowment Spending Policy of the Board of Trustees, as it may be amended from time to time. The ASO's investment and expenditure policies will be consistent with the Maryland Uniform Prudent Management of Institutional Funds Act (UPMIFA; MD Estate and Trusts Code section 15-403, 2017 or as amended). Endowment gifts which stipulate the preservation of the corpus will likewise be subject to expenditure policies as permitted by UPMIFA.

Legal Representation and Professional Fees: Donors will be advised to seek qualified legal and tax counsel before making any major gift. Donors are responsible to employ and compensate their advisors and have them prepare any necessary documents. The ASO's legal counsel will review contracts and donor agreements as necessary on behalf of the ASO.

GIFT RELATION TO MISSION

The Annapolis Symphony Orchestra will honor a donor's wishes regarding use of a contribution, as specified below under Unrestricted and Restricted Gifts (p. 6). However, the ASO reserves the right to refuse any gift that is not consistent with its mission. In general, ASO will not accept gifts that:

- a) Require any action or obligation on the part of the ASO that is unacceptable to the Board of Trustees.
- b) Commit the ASO to name a program, building or endowment but are revocable in any way.
- c) Are inappropriate in origin, nature or intention as determined by the ASO Board of Trustees.
- d) Stipulate to the ASO the future employment of any specified person.
- e) Create a fund to provide for financial support or other opportunities that reserve to the donor the right to designate the individual.
- f) Contain unreasonable conditions (i.e. a lien or other encumbrance) on gifts of property.
- g) Are intended to be salary payments for a family member of the donor.
- h) Are financially unsound or could expose the ASO to liability.
- i) Are known or suspected to come from illegal sources.
- j) Stipulate to the ASO the desired nature of the ASO's relationship with any other person, business or entity.
- k) Stipulate how the gift is to be invested or how the investment of the gift is to be managed, that departs in any way from the established investment and endowment management policies of the ASO.

OUTRIGHT GIFTS

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As appropriate, the ASO will seek the advice of qualified legal counsel in matters pertaining to gift transfers, including any agreements, contracts, trusts, or other legal documents. Furthermore, donors shall be routinely advised to seek advice from their personal financial advisors and counsel on taxes, all aspects of their gifts, and the terms being considered.

Gifts such as real property, personal property, in-kind gifts, non-liquid securities, and contributions whose sources are not transparent or whose use is restricted in some manner, must be approved by the Board of Trustees prior to acceptance because of special obligations that may be raised or liabilities that may be imposed upon the ASO.

The ASO will provide acknowledgments to donors meeting IRS substantiation requirements for donations of property received by the ASO as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed by the ASO to any receipt or other form of substantiation of a gift received by ASO.

The ASO will not compensate, either through commissions, finders' fees, or other means, any third party for directing a gift or a donor to the ASO.

Cash: The ASO accepts gifts of cash including payment by Visa, American Express, Discover, and MasterCard. Checks should be made payable to the Annapolis Symphony Orchestra.

Publicly Traded Securities: The ASO accepts readily marketable securities such as those traded on the stock exchange, including mutual funds. Generally, commission charges and brokerage fees are the expense of the ASO, unless the donor wishes to provide for these fees as well. Neither losses nor gains realized by the sale of the securities after receipt, nor brokerage fees or other expenses associated with the transaction will affect the value of the gift. Donors should notify the ASO before seeking to make a transfer of securities. The ASO will not accept securities that have no apparent value, or are not readily marketable, or cannot be assigned to another party (such as a series "E" savings bond.) Gifts of stock will be sold as soon as possible upon receipt.

Closely Held Securities (Privately Traded) will not be accepted by the ASO.

Tangible Personal Property (equipment, collectibles such as jewelry, art, antiques):

- a) The ASO will only accept gifts of tangible personal property if it is able to:
 - Assess the continuing long-term value of the gift to the ASO
 - Determine that the costs related to relocating the item or putting it into service are reasonable and acceptable to the Board (such as insurance, storage, maintenance)
 - Honor the donor's intended use
 - Determine the possibility of future sale or cost of disposal in the future
 - Be certain of clear title to the property
- b) The donor will be advised in advance of accepting such gifts if the property will or will not be used for purposes related to the ASO's tax-exempt status. If the use of donated property is unrelated to the purpose of the Annapolis Symphony Orchestra, the allowable deduction for the donor must be reduced to the lesser of the donor's cost basis or current fair market value.
- c) Such gifts shall be used by or sold for the benefit of the ASO, subject to all IRS requirements in connection with disposing of gifts of tangible personal property and filing of appropriate tax reporting forms (See current IRS regulations).

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Real Estate: Gifts of real estate will be reviewed on a case by case basis by the Executive Director prior to recommendation to the Board of Trustees. No gift of real estate (land, buildings, rights or easements) will be accepted without an appraisal in accordance with IRS guidelines by a qualified appraiser and the property undergoing a title search. The donor must provide a title insurance policy. The ASO also requires a marketability check, an on-site evaluation by designees of the Executive Director, and at least a Phase I environmental liability study. All carrying costs including, but not limited to taxes, insurance and transfer charges must be disclosed. All mortgages, deeds of trust, restrictions, easements, and other limitations must be disclosed. Retained Life Estate gifts will not be accepted by the ASO.

UNRESTRICTED & RESTRICTED GIFTS

Gifts to the Annapolis Symphony Orchestra will be classified as Unrestricted Operating, Unrestricted Endowment, Restricted Operating, or Restricted Endowment based on the existence or absence of donor-imposed restrictions. A gift is classified as restricted by virtue of the donor's stated imposition of a restriction upon the use of a gift by the ASO. A donor may stipulate that an Endowment gift of \$50,000 or greater, whether restricted or unrestricted, is a True Endowment gift, the corpus of which remains inviolate, or quasi-endowment, of which the principal may be expended at the discretion of the Board of Trustees.

Acceptance of cash or securities of \$100,000 or more for any given year, regardless of restricted or unrestricted classification, shall be contingent upon acceptance by the Board of Trustees.

Unrestricted Gifts: Unrestricted gifts are those with no donor stipulation regarding specific purpose or use beyond their designation for operating, endowment or capital campaigns. The only limits on the use of unrestricted gifts are the broad limits resulting from the mission of the ASO and resolutions adopted by the Board of Trustees. Unrestricted gifts that create an operating budget surplus are guided by budgeting policies as established in the Board of Trustees Bylaws, Article VI, Section 7.

- **Unrestricted Operating gifts** will be assigned to the General Operating Budget and used to support the overall mission of the ASO.
- **Unrestricted Endowment** gifts will be assigned to the Unrestricted Fund within the ASO Endowment Fund. The Board of Trustees, in conjunction with the Executive Director, reserves the right to make a determination of the annual spending policies of the endowment, consistent with UPMIFA.
- **Board-Designated Endowment Gifts** are unrestricted gifts that the Board decides, at its own discretion, to deposit to the Endowment and invest accordingly. The Board of Trustees reserves the right to direct any unrestricted gift to the Endowment, unless explicitly prohibited by the donor.

Restricted Gifts: A gift designated for a specific purpose by the donor will be classified as restricted and may be used only for the purposes indicated. Contributions with donor-imposed restrictions will be reported as restricted support. Permanently restricted funds will consist primarily of gifts restricted by donors and for both the operational and the endowment budgets. Temporarily restricted funds will consist of gifts with donor restrictions that expire through passage of time or other means when the ASO takes specified actions. The ASO reserves the right to alter the definitions of permanent and temporary restriction and similar terms to remain in compliance with Generally Accepted Accounting Principles and IRS regulations.

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- **Restricted Operating** gifts will be assigned to and accounted for in the Restricted Funds accounts of the General Operating Budget and be used only for the purposes defined in the restriction.
- **Restricted Endowment** gifts will be assigned to a Restricted Fund within the ASO Endowment. The use of such funds will be guided by the specific purpose and use designated by the donor. The Board of Trustees, in conjunction with the Executive Director, reserves the right to make a determination of the annual spending policies of the endowment, subject to UPMIFA.

If at any time in the future, the restrictions on a restricted gift are overcome by events or are no longer applicable, or if the terms and provisions of the gift agreement should conflict with any federal, state or local laws, statutes, regulations or ordinances, the ASO Board of Trustees shall attempt to revise the restrictions with the applicable donor. If the donor is unavailable, the ASO Board of Trustees shall have the authority to select an appropriate use for this gift that approximates, as closely as the Board determines is possible, the original intent of the Donors.

DEFERRED OR PLANNED GIFTS

Bequests:

- a) Bequests of all kinds (fixed or percentage, residual, contingent or testamentary trusts) are welcome and encouraged. The ASO reserves the right to refuse bequeathed gifts if they do not conform to the policy guidelines for outright gifts.
- b) Unrestricted bequests will become part of the ASO's general endowment, unless directed otherwise by the donor or the Executive Director.
- c) The policies for accepting restricted gifts also apply to deferred or planned gifts (p. 6 above).

The Legacy Circle: Donors who make a planned gift to the Annapolis Symphony Orchestra through an estate planning vehicle and who inform the ASO of having done so will be included in the Legacy Circle. Members will be encouraged, but not required, to provide specific information about the dollar amount of the gift and the nature of the estate planning vehicle. (See Appendix B for Bequest Intention form.)

Life Insurance: The Annapolis Symphony Orchestra will accept gifts of life insurance policies when the ASO is named sole owner and beneficiary of the policy and when the policy is fully paid up. The ASO will only accept a life insurance policy if all incidents of ownership are transferred to the ASO, with no ownership interest, benefit, assignment or endorsement inuring to any party other than the ASO. The ASO will accept gifts which name it as primary, secondary or residual beneficiary as well as contingent or alternate beneficiary of a life insurance policy.

Retirement Assets: The Annapolis Symphony Orchestra will accept gifts of the balance of Qualified Retirement Plans, including an IRA, 401(k), Keogh, SEP, or other qualified plans.

Retained Life Estate Gifts will not be accepted by the ASO.

Charitable Remainder Trusts: The Executive Director or designee will review charitable trust donations before recommending acceptance to the Board of Trustees. The ASO does not take custody of or manage a charitable trust prior to the dissemination of the trust proceeds. A

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Charitable Remainder Trust is an arrangement wherein a donor irrevocably transfers cash, securities or other assets to a third party trustee (not the ASO or its Trustees) of his/her choice. During the term of the trust, the third party trustee invests the assets and each year pays a fixed percentage (Charitable Remainder Unitrust) or fixed amount (Charitable Remainder Annuity Trust) to one or more income beneficiaries. At the end of the term, the principal passes to the Annapolis Symphony Orchestra. The following information should be reviewed before deciding to accept a charitable remainder trust: description of asset; purpose of gift; estimated fair market value; any income, expenses, encumbrances or carrying costs.

Charitable Lead Trusts: The Executive Director or designee will review charitable trust donations before recommending acceptance to the Board of Trustees. A Charitable Lead Trust is an arrangement wherein a donor irrevocably transfers cash, securities or other assets to a third-party trustee (not the ASO or its Trustees) of their choice. During the term of the trust, the third party trustee invests the assets and each year pays a fixed percentage of its value (Charitable Remainder Unitrust) or fixed amount (Charitable Remainder Annuity Trust) to the Annapolis Symphony Orchestra. At the end of the term, the principal passes to designated beneficiaries. The following information should be reviewed before deciding to accept a charitable lead trust: description of asset; purpose of gift; estimated fair market value; any income, expenses, encumbrances or carrying costs.

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APPENDIX A:

A DONOR'S BILL OF RIGHTS

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 ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the non-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I.

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.

VI.

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

II.

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

VII.

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

III.

To have access to the organization's most recent financial statements.

VIII.

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IV.

To be assured their gifts will be used for the purposes for which they were given.

IX.

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

V.

To receive appropriate acknowledgement and recognition.

X.

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

DEVELOPED BY:

Association of Fundraising Professionals (AFP)
Association for Healthcare Philanthropy (AHP)
Council for Advancement and Support of Education (CASE)
Giving Institute: Leading Consultants to Non-Profits

ORIGINALLY ENDORSED BY:

Independent Sector
National Catholic Development Conference (NCDC)
National Committee on Planned Giving (NCPG)
Council for Resource Development (CRD)
United Way of America

Adopted in 1993

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APPENDIX B: BEQUEST INTENTION FORM



GIFT PLANNING

DECLARATION OF FUTURE INTENT

Thank you for your intention to include the Annapolis Symphony Orchestra in your estate plan. In order to document your intention accurately, please complete this form with as much detail as you are willing to share. Any information about your gift will remain confidential and does not create a binding obligation.

Recognition of Your Gift

☐ For recognition purposes, please list my/our name(s) as follows:

☐ Please do not include my/our name in any public listings of donors.

☐ I/We wish for my/our gift intention to be confidential and anonymous, publicly and in Symphony records.

☐ **Gift Agreement/Letter** -- I/We have signed a Gift or Letter Agreement with the Annapolis Symphony for this gift and have made no changes to the designation or purpose.

☐ **No Gift Agreement/Letter** - Briefly describe allocation, designation, and how your gift should be used. _____

Description and Value of Gift - Please indicate below (by checking applicable options), how your future gift intention will be fulfilled and provide the estimated value for the Annapolis Symphony.

	<u>Description</u>	<u>Amount or Percentage</u>	<u>Estimated Amount of Gift to the Annapolis Symphony</u>
<input type="checkbox"/>	Will or Trust with a sum of	_____	_____
<input type="checkbox"/>	Charitable Remainder Trust in the amount of	_____	_____
<input type="checkbox"/>	Remainder of Retirement Fund/IRA with a total current value of	_____	_____
<input type="checkbox"/>	Life Insurance Policy with a policy value at maturity of	_____	_____
<input type="checkbox"/>	Other Item or Asset in the amount of Please describe (for example, private collections, real estate, securities, etc.):	_____	_____
<input type="checkbox"/>	Beneficiary - If the Symphony is only a contingent beneficiary, please explain conditions.		
<input type="checkbox"/>	Documentation - Please provide us with copies of any documents (or the relevant pages) that include provisions for the Annapolis Symphony.		

Please Complete Reverse Side

Contact Information

Will or Trust: If your gift is included in a will or trust, please provide the following:

Executor(s) or Trustee(s)

Name and Address

Phone and/or Email

Beneficiary Designation - If your gift is directed by a beneficiary designation, please provide the following:

Administrator or Company

Name and Address

Phone and/or Email

Other Information, Contacts and Relationships You Want Us to Know (family, attorney, etc.)

Name and Address

Phone and/or Email

This Declaration of Intent enrolls you in the Legacy Circle. You will be contacted regarding your participation.

☐

New Intention: This is a new bequest intention to the Annapolis Symphony.

☐

Update to Intention - This is an update to a previously recorded bequest intention to the Symphony.

Signature

Date

Print Name

Street Address

City, State, Zip

Email and Phone Number

Signature

Date

Print Name

Street Address

City, State, Zip

Email and Phone Number

Please send this form (together with copies of any relevant documents) to the Office of Gift Planning. Please contact us if you have any questions or concerns at the number below.

The Annapolis Symphony Orchestra

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Fax: 410-263-0616