



VIRGINIA HISTORICAL SOCIETY

Gift Acceptance Policy

Updated September 1, 2018

Introduction

The Virginia Historical Society is a Virginia non-profit organization that has been recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code. The historical society welcomes the interest of prospective donors and encourages gifts that will further its mission. The mission of the Virginia Historical Society is to connect people to America's past through the unparalleled story of Virginia.

The intent of this policy is to encourage funding for historical society programs, daily operations, and future growth without burdening the organization with gifts that may generate more cost than benefit or that are restricted in a manner that is not in keeping with the mission and goals of the historical society. To prevent misunderstandings and conflicts, these guidelines should be viewed as flexible in order to accommodate unpredictable fundraising situations and donor expectations. Special situations will be evaluated on a case-by-case basis.

The Gift Acceptance Committee

The historical society has established and will maintain a "Gift Acceptance Committee," which will include: the Chair of the Advancement Committee, the Chair of the Finance & Investment Committee, the Chair and Vice Chair of the Board of Trustees, the President & CEO, the Sr. Vice President for Operations & Finance, and the Vice President for Advancement. The Gift Acceptance Committee is charged with the responsibility of annually reviewing gift acceptance policies and guidelines, reviewing unusual gifts, and making recommendations to the Board of Trustees on exceptional gift acceptance issues.

The Gift Acceptance Committee will also review annually the Donor Privacy Policy.

Solicitations

The role of historical society staff, trustees, and our volunteer solicitors is to inform, serve, or otherwise assist donors in fulfilling their philanthropic wishes, but never to pressure or unduly persuade. No person acting in any capacity on behalf of the historical society shall receive commissions or finders' fees with respect to gifts generated. The Virginia Historical Society will meet state-to-state requirements for charitable solicitation registration.

Gift Planning

Prospective donors to the historical society are to be encouraged by staff to seek the assistance of independent legal and tax advisors relating to their gifts and the resulting tax and estate planning consequences. The historical society voluntarily complies with the recommendations of the National Committee on Planned Giving when devising gift annuity agreements.

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Use of Legal Counsel

When appropriate, the historical society will seek the advice of legal counsel in matters relating to the acceptance of certain gifts. The decision to consult legal counsel will be made by the President & CEO in consultation with the Advancement Committee. Review by legal counsel will generally occur in the case of:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements
- Gifts that require the historical society to make payments or assume obligations (other than standard charitable gift annuity contracts)
- Transactions with potential conflicts of interest
- Transactions that raise tax issues regarding the tax-exempt status of the historical society

Donor Confidentiality

In general, information concerning donors or prospective donors shall be kept confidential by the historical society and its authorized personnel. Donor names within giving ranges may be published in historical society publications, online, and on other recognition walls, plaques, etc. for recognition purposes, unless a donor requests anonymity.

General Gift Acceptance Conditions

The historical society will accept only gifts that are consistent with its core educational values and are:

- Compatible with the mission of the historical society and of its individual programs
- In compliance with the state and federal statutes, regulations, rulings, or court decisions that stipulate the conditions under which contributions can be tax favored
- Compatible with the tax-exempt status of the historical society

The historical society will not accept any gift that:

- Violates any federal, state, or local statute or ordinance
- Creates a fund with restrictive clauses incompatible with the historical society mission, or that gives the donor the right to designate the recipient of fellowship funds
- Commits the historical society to name a fund where the gift is potentially revocable in any way
- Requires the historical society to employ a specified person now or at a future date
- Knowingly exposes the historical society to litigation or other liabilities
- Requires the payment of maintenance costs or other expenses (e.g. debt service) for which no specific provision has been made
- Generates unrelated business income to the historical society which may jeopardize its tax-exempt status
- Otherwise appears to be financially unsound in the judgment of the Gift Acceptance Committee

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The historical society retains the right to sell immediately all gifts of stock or property so that it can invest the proceeds. The historical society recognizes that the donor must have philanthropic intent and is willing to accept the gift's fair market value as determined by a mutually agreed upon third party with relevant expertise.

The historical society accepts cash and checks, gifts of securities, real property, and personal property.

Deferred gifts, also called planned gifts, are arranged with the historical society during the donor's lifetime, but the benefits do not accrue until a later time, usually after the death of the donor or his/her beneficiaries. Bequests are the most common deferred gift. Other such gifts include naming the historical society as the beneficiary of a life insurance policy or the beneficiary of a charitable remainder trust.

Acceptance of Specific Outright Gifts

Cash and Checks

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

Corporate Matching Gifts

Donors are encouraged to ask their employers to match their personal contributions as a way to maximize the benefit to the historical society. The individual's gift plus the corporate matching gift is credited to the individual's record. The individual's charitable tax deduction is limited to the individual's gift. The individual and the corporation are credited on recognition lists.

Publicly Traded Securities

Securities that are traded on the New York and American Stock Exchanges, as well as other major U.S. and foreign exchanges and the NASDAQ, corporate bonds, government issues, and agency securities may be accepted by the historical society.

The historical society will sell such securities as soon as possible after the securities have been transferred to the historical society. In no event will an employee or volunteer working on behalf of the historical society commit to a donor that a particular security will be held unless authorized by the Gift Acceptance Committee.

The value of a gift of securities is the average of the high and low of the stock(s) or bond(s) on the day the transfer is made by the donor to the historical society. The value of the securities will be the gift value credited to the donor.

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Closely Held Securities

Non-publicly traded securities may be accepted only after approval of the Gift Acceptance Committee. Such securities subsequently may be disposed of only with the approval of the Gift Acceptance Committee. Prior to completion of any gift of this kind, the historical society will not commit to resell it to any specific party of parties.

Real Property

No gift of real estate will be accepted without prior approval of the Gift Acceptance Committee.

No gift of real estate will be accepted without first receiving a qualified appraisal by a party chosen by the historical society who will have no business or other relationship to the donor.

In general, real estate located within the United States of America will be considered for acceptance unless the Gift Acceptance Committee determines otherwise.

In general, real estate located outside the United States of America will not be considered for acceptance. The Gift Acceptance Committee may make exceptions to this specific policy statement if conditions warrant.

Regarding a gift of real property, the Gift Acceptance Committee will review an acceptable deed and necessary documentation. The cost of obtaining necessary documents and fees associated with environmental studies; property taxes; maintenance, management and insurance appraisals; title reports; and legal fees should be borne by the donor.

The Gift Acceptance Committee will not accept real estate to fund a charitable gift annuity without seeking an opinion as to the permissibility of this action under the laws of the state or states involved.

In general, the historical society will not accept real estate encumbered by a mortgage.

Tangible Personal Property and in-kind gifts

No personal property will be accepted unless there is reason to believe the property can be sold in a reasonable amount of time. No personal property will be accepted that obligates the historical society to ownership of it in perpetuity. No perishable property or property that will require special facilities or security to safeguard the property will be accepted without prior approval of the Gift Acceptance Committee.

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The exceptions to this policy are gifts of collections related to the mission of the historical society. The historical society accepts as gifts items that are deemed appropriate by the professional staff. It may decline to accept items that in the opinion of the staff are inappropriate; too difficult to care for; of questionable provenance; or items that could be better placed in another institutional collection. Items given to the historical society are given with clear and unrestricted title. Items entering the collection as gifts will generally be recorded on an accession form duly signed by the donor, specifying the terms of the gift. A copy of each accession form or acknowledgement letter will be given to the advancement office.

The donor is responsible for obtaining a qualified appraisal to determine fair market value. This appraisal can be done up to 60 days before the gift is made, or any time after the donation preceding the filing of the tax return for the tax year in which the gift was made. Expenses incurred to obtain an appraisal shall be the responsibility of the donor.

In-Kind Gifts

The historical society gratefully accepts all appropriate in-kind contributions of skilled services and tangible assets consistent with its mission and non-profit status. Such gifts may be claimed as tax-deductible contributions. Federal regulations state, however, that donors must estimate the fair market value of donated goods and services.

Intangible Personal Property

Intangible property of any description—including mortgages, notes, copyrights, royalties, easements—whether real or personal, will be accepted only by action of the Gift Acceptance Committee.

Policy for Acceptance of Deferred Gifts

Bequests

Monetary gifts through wills (*bequests*) and retirement plans (IRAs, pension plans, 401(k), 403(b)) will be encouraged actively by the historical society.

Estate gifts of collections will be accepted or rejected by the Collections Committee.

Attempts will be made to discover bequest expectancies wherever possible in order to plan for the financial future of the historical society and to reveal situations that might lead to gifts that cannot be accepted by the historical society.

Charitable Gift Annuities

The initial contribution for a gift annuity is \$10,000. The percentage of return on all Charitable Gift Annuities administered through the historical society will be the rate prescribed by the National Committee on Planned Giving, unless otherwise approved by the Gift Acceptance Committee.

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Charitable Trusts and Charitable Lead Trusts

The historical society may be named a beneficiary or remainder beneficiary in charitable remainder trusts and charitable lead trusts. The historical society is not authorized to act as a trustee of charitable trusts.

Life Estate Gifts

Donors generally will not be encouraged to make gifts of real property to the historical society under which they maintain a life interest in the property.

Gifts of Life Insurance

Donors will be encouraged to name the historical society as the “last beneficiary” to receive all or a portion of the benefits of insurance policies they have purchased on their lives.

The historical society will not accept gifts from donors for the purpose of purchasing insurance on the donor’s life. The historical society will endorse no insurance product for use in funding gifts. In no event will the historical society furnish lists of its donors to anyone for the purpose of marketing life insurance for the benefit of donors and/or the historical society, as this practice: represents a potential conflict of interest, may cause donor relation problems, and may subject the historical society to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

Policy for Establishing Named or Restricted Funds

Donors may establish a named fund that may or may not be named for or by the donor, require that the corpus in whole or in part be invested permanently, and be restricted as to purposes.

Distribution from the named, or restricted fund, shall be the rate deemed prudent by the Finance & Investment Committee, unless a different rate is agreed upon by the donor and the Gift Acceptance Committee.

The wishes of donors will be loyally observed, so long as such wishes do not conflict with the proper administration of the historical society. When changes occur making it impractical for the historical society to adhere to the original wishes of the donor, in the opinion of the Gift Acceptance Committee, the fund shall be used for other purposes aligned as closely as possible with the original donor wishes. Such modifications will be communicated to the donor whenever possible and practical.

At its discretion, and to provide a strong financial base for the historical society, an administrative fee may be applied on a named or restricted fund if that fund is not otherwise contributing to the advancement of the historical society mission. The fee shall be considered a part of the endowment distribution, and not a fund expense. It may be used to cover the expenses of administration and investment management of the fund. The decision to apply such a fee will be made on a yearly basis by the Gift Acceptance Committee.

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Gift Agreements

Gifts of any nature are normally accompanied by a letter or form from the donor that specifies the use to which the gift is to be put. Ideally, the gift letter should include the following points for ease in administering the fund:

Clearly state the donor's commitment to make a gift; Provide a brief description of the gift (e.g., cash, shares of stock, personal property); Declare the gift is irrevocable; and Identify the purpose(s) for which the gift will be used.

When such a letter does not come with the gift, historical society Advancement staff will send a letter to the donor outlining these points, making a copy available to the Finance Department and for the donor's file.

Realized Testamentary Gifts

All bequests or other deferred gifts realized during the defined duration of a capital campaign may be counted at full value in capital campaign totals so long as the gift was not counted in a previous campaign.

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