



### **Purpose of this Gift Acceptance Policy**

The purpose of this Gift Acceptance Policy is to provide guidelines relating to the acceptance and processing of gifts that are consistent with Guitars In The Classroom's mission.

### **Donor's Use of Professional Advisors**

Donors and prospective donors will be urged to seek the assistance and advice of independent professional advisors, including, but not limited to, tax or legal counsel and financial advisors, where appropriate, prior to and in matters relating to making a gift.

### **Use of Counsel**

Guitars In The Classroom (GITC) reserves the right to consult with and/or seek the advice of legal counsel in any and all matters relating to the acceptance of gifts.

### **Gift Acceptance Review Process**

Determinations as to acceptance or refusal of all grants and cash donations of less than \$5,000 USD may be made by the GITC Executive Director, Chief Executive Officer/President, Vice President, Chief Financial Officer/Treasurer, or Secretary. All potential non-cash gifts, cash gifts with a total value excess of \$5,000 USD, and any gifts designated in this Policy for review by the Gift Acceptance Committee (described below) should be directed for prior approval to the Gift Acceptance Committee, which will be responsible for rendering the final decision as to whether a particular gift will be accepted or refused. Potential gifts requiring review include all gifts that may not align with the mission of GITC, unique or unusual gifts and gifts accompanied by a potential administrative, financial or other burden on GITC. Foundation and Government Grants applied for and received by GITC in the ordinary course of business shall not be subject to this Policy.

### **Gift Acceptance Committee**

The Gift Acceptance Committee possesses absolute authority to accept or reject gifts offered to GITC. The Gift Acceptance Committee shall minimally consist of GITC's (i) Executive Director, (ii) Chief Financial Officer/Treasurer, and (iii) President. Additional voting members may be added to or removed from the Gift Acceptance Committee if voted on and receive majority approval during a routinely scheduled meeting of the Board of Directors. The Gift Acceptance Committee may seek the participation and/or advice of non-voting outside members. Examples of additional participating individuals include, but shall not be limited to, outside legal counsel, brokers, financial advisors and other Board members.

In rendering final decisions as to whether particular gifts should be accepted by GITC, the Gift Acceptance Committee is charged with making determinations including whether gifts are in line with GITC's mission and whether gifts are potentially cost-prohibitive or burdensome for GITC to process, hold, or manage. The Gift Acceptance Committee is not required to externally disclose the cause(s) for refusing to accept a gift.

The Gift Acceptance Committee shall have the ability to authorize payment of gift administration fees, such as professional fees, where appropriate.

### **Overly Restrictive Gifts**

GITC will not accept gifts deemed by its Gift Acceptance Committee to be overly restrictive. Overly restrictive gifts include, but are not limited to, gifts that are inconsistent with GITC's mission, gifts that place undue burdens on GITC as well as gifts that violate the terms of any of GITC's formation documents, governance documents, or place GITC in any appreciable legal risk. Gifts will not be accepted which would potentially cause GITC to lose status as an IRC § 501(c)(3) not-for-profit organization.

### **Designated Gifts**

GITC's policy is to encourage donors to give unrestricted gifts, the proceeds of which benefit GITC and its programs, rather than to designate gifts to benefit other charities. Where the receipt and/or administration of a

designated gift is burdensome, the Gift Acceptance Committee will determine, in accordance with this Policy, whether GITC will accept the gift.

All potential gifts received from or through other intermediate organizations are subject to all terms of this Policy, and are subject to an additional review including but not limited to: review of the intermediate organization's tax filings, organizational documents, governance documents, and business references.

### **Types of Gifts**

The Gift Acceptance Committee reserves the right to consider any and all gifts to GITC.

#### **Cash**

Gifts to GITC may be made via cash, check, credit card or other cash equivalents. All gifts of cash (i.e., currency) and cash equivalent gifts in excess of \$5,000 must be referred to the Gift Acceptance Committee for a final determination regarding acceptance of the gifts.

**Checks shall be made payable to Guitars In The Classroom.** Checks shall not be made payable to individuals who represent GITC.

#### **In-Kind Professional Services**

Gifts of In-Kind Professional services valued at greater than \$5,000 shall be referred to the Gift Acceptance Committee for final approval, including but not limited to: musical instruction, legal counsel, accounting, bookkeeping, tax services, marketing, advertising, and fundraising.

#### **Tangible Personal Property**

Gifts of tangible personal property shall be subject to the approval of the Gift Acceptance Committee unless valued at less than \$5,000. Gifts of tangible personal property may be sold immediately upon receipt by GITC and/or GITC's designees.

The Gift Acceptance Committee may consider other factors in rendering a determination as to whether the gift should be accepted, including, but not limited to, another party's possession of any type of lien or interest in the property, the marketability of the property, any carrying costs for the property and the presence of any restrictions on the use, display or sale of the property.

The Gift Acceptance Committee shall have the discretion to seek an appraisal of the property from a qualified, independent appraiser. The donor shall be responsible for the costs of such an appraisal unless waived by the Gift Acceptance Committee.

#### **Publicly Traded Securities**

Publicly traded and marketable securities, including those traded on any recognized stock exchange, can be accepted by GITC. Such marketable securities may be transferred to an account maintained at a brokerage firm or physically delivered with the signature of the transferor or stock power attached.

Marketable securities that are not Restricted Stock (as defined in the following paragraph) must be sold upon receipt by GITC or its authorized broker.

Gifts to GITC of publicly traded securities that are restricted by applicable securities laws, which typically bear a legend on the certificate ("Restricted Stock"), shall be referred to the Gift Acceptance Committee to determine whether the gifts should be accepted. GITC will not accept gifts of Restricted Stock where the beneficiary is not GITC. These gifts include gifts that are processed by GITC but designated for receipt by another charity by the donor.

The Gift Acceptance Committee shall render a decision as to whether gifts of Restricted Stock where the beneficiary is GITC should be accepted.

With respect to gifts of Restricted Stock in general, the donor shall be asked to pay for all of the expenses of lifting the restriction and any other expenses associated with the administration of the gift except when the Gift Acceptance Committee makes an exception. Exceptions may be made based on a variety of factors, including the value and

desirability of the gift, ease of administration of the gift, the donor's connection with GITC, the donor's past giving record and the donor's contributions to the organization.

### **Closely Held Securities**

For purposes of this Policy, closely held securities shall mean securities that are not publicly traded and shall include, but shall not be limited to, debt and equity interests in non-publicly traded or closely held entities, as well as interests in LLPs and LLCs. Interests in other forms of ownership may be deemed closely held securities. Closely held securities may be accepted only (i) if the beneficiary is GITC and (ii) if approved by the Gift Acceptance Committee.

The Gift Acceptance Committee is charged with considering the following factors as part of its review of the gift: whether the securities possess any restrictions that would hinder their liquidation to cash, marketability of the securities, an estimate of the fair market value of the securities and the presence of any detrimental tax consequences for GITC.

The Gift Acceptance Committee may deem it appropriate to consult with an independent professional advisor as part of the review process.

It is GITC's policy that closely held securities be sold upon acceptance by the Gift Acceptance Committee, or as soon as possible thereafter. If the sale of such securities are restricted by agreement or by applicable law and depending on the facts and circumstances of the gift, the Gift Acceptance Committee may make an exception.

### **Real Estate**

All gifts of real estate shall be subject to the review and approval of the Gift Acceptance Committee, regardless of value.

Prior to consideration by the Gift Acceptance Committee, a member of GITC's staff or a qualified real estate broker must conduct a visual inspection of the property. Any expenses associated with such an inspection shall be borne by the donor.

The donor may be asked to provide any or all of the following items to GITC: a property deed, a property tax bill, a property title report, a property ALTA survey, site plans or development surveys relating to the property, a plot plan, any existing leases or agreements encumbering the property, substantiation of zoning status and verification of title insurance.

Prior to acceptance of real estate gifts, the Gift Acceptance Committee shall be responsible for ensuring that an environmental review of the property is completed and may use environmental inspection forms where appropriate. If the environmental inspection reveals what the Gift Acceptance Committee deems to be a potential problem, the Gift Acceptance Committee shall arrange for the retention of a qualified environmental inspection firm to conduct an environmental audit of the property, at the sole expense of the donor.

The Gift Acceptance Committee shall arrange for an appraisal of the property and will obtain a title binder for the property where it deems it to be appropriate. Expenses for the appraisal and title binder shall be paid by the donor. The Gift Acceptance Committee is charged with considering the following factors as part of its review of the gift: the fair market value of the property, the projected financial benefit to GITC, whether the property is useful for GITC's purposes and mission, the marketability of the property, the presence of any restrictions, obligations or limitations associated with the property, any carrying costs, administrative costs and/or professional expenses associated with acquiring and selling or maintaining the property and the results of the environmental review and any environmental audits.

Depending on a variety of factors, including the value and desirability of the gift, ease of administration of the gift, the donor's connection with GITC, the donor's past giving record and the donor's contributions to the organization, the donor may be asked to pay for all or a portion of the following additional expenses: maintenance expenses, real estate taxes, insurance expenses, the real estate broker's and/or auctioneer's commission, any other costs of the sale of the property and any additional legal and/or other expenses relating to the administration of the gift or the sale of the property.

No gift of Real Estate will be accepted without all of the above factors taken into consideration and fully evaluated and written approval provided to the donor prior to the date of conveyance of the gift.

### **Remainder Interests and Retained Life Interests in Property**

Remainder interests in property may be accepted by GITC subject to the approval of the Gift Acceptance Committee and subject to the provisions enumerated in the foregoing "Real Estate" section.

### **Life Insurance**

Gifts of life insurance policies shall be subject to the approval of the Gift Acceptance Committee.

GITC shall encourage donors to name GITC as beneficiary or contingent beneficiary of any gifted life insurance policies. Gifted life insurance policies must possess a minimum face value of \$5,000.

GITC shall encourage gifts of paid up life insurance policies. If the policy is not paid up, GITC shall request that the donor contribute all future premium payments to GITC. If the donor does not elect to continue making gifts to cover premium payments on the life insurance policy, GITC may: 1) continue to pay the premiums; 2) convert the policy to paid up insurance; and/or 3) surrender the policy for its current cash value.

The Gift Acceptance Committee may consult with professional financial and legal advisors regarding the valuation of any gifts of life insurance policies. Gifts will be recorded at such time as they are irrevocable.

### **Retirement Plans**

Donors may name GITC as a beneficiary of their retirement plans. Gifts will be recorded at such time as they are irrevocable.

### **Deferred Gifts**

The Gift Acceptance Committee shall consider the acceptance of all deferred gifts. GITC will not accept deferred gifts where GITC is not the beneficiary, provided that the Gift Acceptance Committee may consider on a case-by-case basis acceptance of gifts where GITC is a contingent beneficiary or one of the beneficiaries of the gift.

The Gift Acceptance Committee is charged with considering the following factors as part of its review of the gift: the fair market value of the gift, the projected financial benefit to GITC, whether the gift is useful for GITC's purposes and mission, the presence of any restrictions, obligations or limitations associated with the gift, as well as any carrying costs, administrative costs and/or professional expenses associated with the gift.

Deferred gifts may include charitable remainder trusts, charitable lead trusts, bequests, charitable gift annuities, deferred gift annuities, pooled income funds and retained life estates.

GITC may accept a designation as the remainder beneficiary of a charitable remainder trust subject to the approval of the Gift Acceptance Committee. GITC shall not serve or accept an appointment as the trustee of such a charitable remainder trust.

GITC may accept a designation as the income beneficiary of a charitable lead trust subject to the approval of the Gift Acceptance Committee. GITC shall not serve or accept an appointment as the trustee of such a charitable lead trust.

Donors may make bequests to GITC through their wills and trusts. Bequests will be recorded at such time as they are irrevocable. Donors who indicate that they have made a bequest to GITC may be asked to disclose the relevant clause or documentation that evidences such a bequest.

### **Donor-Advised Funds and Supporting Organizations**

The Gift Acceptance Committee may discuss with donors whether donor-advised funds and supporting organizations can be helpful in fulfilling the mission of GITC. The Gift Acceptance Committee must approve the acceptance of gifts in this category.

### **Other Gifts**

The Gift Acceptance Committee shall consider the acceptance of other gifts not mentioned above, including, but not limited, to memorials, honorariums and intangible property.

**Ethical Standards and Compliance**

GITC shall administer gifts properly, complying with all applicable laws and regulations, including those governing reporting and retention, and shall provide formal acknowledgments for gifts. GITC shall not furnish property appraisals or gift valuations to donors for tax purposes. GITC acknowledgment letters may acknowledge the value of a gift in the case of a cash, check or other monetary donation or if required by applicable law. Otherwise, the donor is solely responsible for determining gift valuations for his or her own tax purposes. GITC shall consult with independent advisors where it deems such action to be appropriate. GITC shall strive to consider the interests of the donor and disclose to the donor all essential information, including any fees, prior to acceptance of the donor's gift. Donors may be advised to consult with legal or tax counsel or other appropriate advisors.

**Review of Policy**

GITC's Board of Directors have reviewed and accepted the foregoing Gift Acceptance Policy. The Board of Directors or special appointed committee shall conduct periodic reviews of this policy and shall approve any future changes.

This Gift Acceptance Policy was reviewed and approved by the Guitars In The Classroom Board of Directors on October 5, 2016.