



AMERICAN CANYON ARTS FOUNDATION

Board of Director's Policy Manual

Gift Acceptance Policy

Adopted/Revised:
October 9, 2013

I. Purpose/Intent

The American Canyon Arts Foundation is a Nonprofit Public Benefit Corporation organized under the laws of the State of California and exempt as a public charity under Section 501(c)(3) of the Internal Revenue Code. ACAF encourages the solicitation and acceptance of gifts for purposes that will assist ACAF to further and fulfill its mission. The following policies and guidelines govern the acceptance of gifts made to ACAF or for the benefit of any of its programs.

II. Authority

Article 5, Section 3(e) of the By-Laws gives the Board of Directors authority to raise and expend funds, which includes gifts, donations and grants. The Board of Directors has the authority to establish policies under Article 12, Section 2 of the By-Laws, and approved this policy by adopting Resolution 2013-02.

III. Policy

Section One: General Policy and Guidelines

The Board of Directors of ACAF, its members and employees, solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of ACAF. It is the purpose of this policy to govern the acceptance of gifts (including grants) by ACAF and to provide guidance to prospective donors and their advisors when making gifts to ACAF. The provisions of this policy shall apply to all gifts received by ACAF for any of its programs or services.

Section Two: Restrictions on Gifts

ACAF will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. ACAF will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the charitable trust of ACAF; gifts that are accompanied by an improper economic benefit to the donor such as a gift that is conditioned on a commercial preference to the donor or affiliated company; or gifts that vest the donor with inappropriate control such as a gift that requires ACAF to hire a specific person or take some other unacceptable action. Grants are generally acceptable despite the restrictions of the grant itself, provided the funding requested is consistent with ACAF's mission and programs.

All decisions relating to the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors.

Section Three: General Guidelines relating to specific assets

ACAF is authorized to accept the following assets, subject to the conditions noted in the table on the following page.

Gift Acceptance Guidelines, by Asset Type

Type of Asset	Conditions/Notes
Cash or Cash Equivalents, except Grants	Acceptable. Note: If Foundation Members wish to pay for any ACAF-related costs, the Member should pay ACAF directly, and ACAF will pay for the service or good.
Grants	Acceptable, provided the Board previously agreed to accept the terms of conditions of the grant.
Charitable Pledge Agreements	Acceptable, provided payment is by one of the acceptable options in this policy.
Publicly Traded Securities	Acceptable, but ACAF will generally sell those securities as soon as practical.
Closely Held Securities and Other Intangibles	Acceptable; however, ACAF shall not accept securities and other intangible assets which may not be sold, have no value, or may result in additional liability to ACAF.
Tangible Personal Property	Acceptable, subject to review and approval by the Board. ACAF will not offer to value the contributed property. The donor shall sign a statement of ownership and disclose any liens or restrictions on the property. ACAF will not accept any property subject to a restriction on ACAF's ability to use, sell or otherwise deal with the property as it deems necessary.
Life Insurance	Acceptable, provided ACAF is made the owner and the irrevocable beneficiary of the policy. Further, if the policy is not fully paid up, the donor shall be encouraged to make annual gifts to ACAF sufficient to cover the remaining premiums. ACAF shall have the right to retain the life insurance policy, cash it in, or otherwise make use of its value.
Real Estate	Acceptable, subject to the review and approval of the Board. ACAF will not accept any real estate subject to a restriction on ACAF's ability to use, sell, or otherwise deal with the property as it deems necessary. The basic policy of ACAF is to sell all contributed property as soon as practicable. Costs related to acceptance of gifts of real property such as legal fees, surveying costs, hazardous waste surveys, etc., will be allocated as mutually agreed and will not affect the recorded value of the gift. Appraisal costs are the responsibility of the donor.
In-Kind Gifts	Acceptable, if approved by the Executive Director or Board President. In-kind gifts include supplies, equipment, services and the like which are beneficial to ACAF. Costs associated to the gift, such as delivery and storage costs, must be approved by the Executive Director or Board President, and should not be excessive or greater than the value of the gift given.

Section Four: Additional Guidelines Relating to Real Estate.

1. ACAF may accept all bequests of real estate unless the Board of Directors determines otherwise. These donations can be made either *inter vivos* (while living) or *testamentary* (donor's will). ACAF shall review all proposed *inter vivos* gifts of real estate and shall consider such factors as sale and holding costs, current and expected future value, encumbrances, liabilities, title, restrictions, and any potential environmental issues prior to acceptance.
2. Prior to accepting an *inter vivos* gift of real estate, the following steps will generally be taken:
 - a. Complete a profile of the property.
 - b. Obtain a copy of the deed, any encumbrances, leases, and current tax bill.
 - c. Consider obtaining a title report.
 - d. Inspect the property.
 - e. Consult with a real estate advisor as to marketability.
 - f. Evaluate the potential for any environmental liabilities. Consult with an environmental engineer or comparable advisor if necessary.

Section Five: ACAF's responsibilities and restrictions

1. ACAF is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold by ACAF within two years of receipt, where the charitable deduction value of the item was \$5,000 or greater. ACAF must file such form within 125 days of the date of sale or disposition of the asset.
2. Written acknowledgment of all gifts made to ACAF and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of ACAF.
3. It shall be the responsibility of the donor to secure an appraisal where required. The donor shall pay any fees for appraisals and legal advice required, unless otherwise agreed to by ACAF.

Section Six: Use of Outside Professional Help

The Board may seek the advice of legal counsel where appropriate, and shall seek the advice of legal counsel in all matters pertaining to the acceptance of a gift which may have adverse legal, ethical, or policy consequences to ACAF. The Board may also seek the advice of real estate and financial planners or tax professionals, as warranted, to ensure gifts are received in the best interests of ACAF.

All prospective donors shall be urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning implications.

Section Seven: Receipt and Processing of Gifts

1. All Cash and Cash Equivalents, and any In-Kind Gifts under \$1000 shall be received and accounted for, by the Treasurer.
2. Any non-cash gifts and donations up to \$10,000 shall be accepted by the Executive Director or Board President, subject to this policy, and then reported to the Board of Directors.
3. Any non-cash gift over \$10,000 shall be approved in advance by the Board of Directors, at either a regular or special meeting.