



Ephraim Historical Foundation, Inc. Gift Acceptance Policy

Adopted _____

Since its founding in 1949, the Ephraim Historical Foundation has been fully funded by private donations. It accepts no tax payer money. Realizing that public trust is vital to its mission, the Board of Directors of the Ephraim Historical Foundation takes seriously its obligation to donors to responsibly manage donated funds. The purpose of this document is to provide transparency and assure accountability to donors, stakeholders, and regulatory agencies. Additionally, this document will provide guidelines for both the Ephraim Historical Foundation Board of Directors and the Ephraim Historical Foundation's Executive Director to develop procedures for accepting a variety of gifts.

These policies do not embrace all areas in which judgment must be exercised. The organization's administrative officers will exercise sound judgment in handling situations not specifically covered in these policies. In view of the importance of gifts to the Ephraim Historical Foundation, those charged with attracting and maintaining them will be given wide latitude and, at the same time, will maintain the dignity and integrity of the Ephraim Historical Foundation and the best interests of its donors.

Acceptance Policies

I. Purpose of Policies

The purpose of these policies is to provide a working document which serves as a guide for minimizing risk and maximizing the intended results of the Ephraim Historical Foundation's fundraising and development efforts to support its mission of preserving and sharing the history of Ephraim, Wisconsin. These goals of these policies are:

- To review opportunities for donors to make unrestricted and restricted gifts to the Ephraim Historical Foundation;
- To review opportunities for making planned gifts to permanently support the work of the organization;
- To clarify the terms of gifts which the Board authorizes the EHF staff to accept on behalf of the organization;
- To educate the Board on potential issues that may make a particular gift questionable;
- To clarify the terms in which the Board may use gifts.

II. General Statement of Policies

The Board of Directors of the Ephraim Historical Foundation has the responsibility to insure that any gifts it receives support its mission. Accordingly, the organization reserves the right to refuse any gift that it believes is not in the best interests of the organization and its constituents.

The Board of Directors also recognizes that the chief basis for making a charitable gift should be a desire on the part of the donor to support the work of the Ephraim Historical Foundation. No charitable gift, trust agreement, contract, or commitment may be urged upon any donor or prospective donor to benefit the organization at the expense of the donor's intent.

III. Types of Gifts

Various types of gifts may be contributed. Many are outright gifts by living donors, either on a one-time or a periodic basis. Others are deferred gifts that take effect upon the donor's death or at some future time. The Ephraim Historical Foundation receives the following types of gifts:

- Cash (including cash equivalents, such as Certificates of Deposit and savings accounts)
- Marketable securities (stocks, bonds, U.S. Government securities)
- Closely held stock (non-publicly traded securities)
- Life insurance policies
- Real estate
- Other property (works of art, furniture/equipment, precious metals, and others)

IV. Purposes of Gifts

Gifts of any size are welcome. It is understood that the Ephraim Historical Foundation Board determines how the gifts to the Ephraim Historical Foundation are to be used based on the needs of the organization and the wishes of the donors.

- a) General-Purpose Gifts are unrestricted gifts to the Ephraim Historical Foundation's mission of preserving and sharing the history of Ephraim. The EHF Board may choose to:
 - a. Distribute the funds based on the needs of the organization or selected priorities that the Board chooses;
 - b. Place the funds into the Ephraim Historical Foundation's contingency account ("Karen Larson Fund");
 - c. Place the funds in the Ephraim Foundation Heritage Fund endowment;
 - d. Distribute funds to any combination of the above mentioned options.
- b) Named Funds or Donor Restricted Funds may be established with the approval of the Board of Directors.

V. Acceptance of Gifts

- a) *Gifts that the EHF Executive Director may accept:*

The Ephraim Historical Foundation Board of Directors has authorized the EHF Executive Director to accept gifts for purposes consistent with the purpose and Bylaws of the organization if such gifts are in the following forms:

- Cash
- Marketable securities

- b) *Gifts Requiring Approval:*

Gifts requiring review and approval of the Ephraim Historical Foundation Board of Directors (or its authorized committee) include the following:

- Gifts that have purposes that may fall outside the purposes and Bylaws of the organization
- Life insurance
- Closely held securities
- Real estate

- Other assets that may be unusual or different from the type of gifts usually handled by the organization

The organization shall seek legal and/or other professional counsel, as appropriate, in all matters pertaining to unusual gifts.

c) Action to Accept Gifts

Contributions are recorded and deposited promptly unless special circumstances warrant further review of the gift. Gift acknowledgement letters are thereafter mailed to the donor.

Gifts that require review will be handled promptly by the staff notifying the Ephraim Historical Foundation Board of Directors and delivering relevant information necessary to the Ephraim Historical Foundation Board members. If a gift is not accepted, the donor will be notified promptly. All gift reviews will be handled with confidentiality.

d) Gift Review Factors

Factors to be considered by the Executive Director and the Ephraim Board of Directors include:

- The charitable intent and ultimate benefit to the organization and its constituents;
- The nature of any restrictions;
- The permanency of the gift;
- The administrative costs of managing the gift asset;
- Potential for actual or perceived conflicts of interest;
- Consistency with the mission, purposes, bylaws, and policies of the organization.

VI. Disposition of Gifts

a) All Gifts

It is the policy of the Board of Directors to convert all gifts to cash and reinvest that cash according to the organization's mission. If assets offered to the organization are illiquid and cannot be readily sold, acceptance of the gift may depend on whether, in the judgment of the organization, a buyer is likely to be found within a reasonable period of time.

If a donor requests that the organization retain specific assets, the Board of Directors will consider whether acceptance and retention of the specific assets serves the purposes of the organization.

b) Planned Gifts/Estate Gifts

Unrestricted estate gifts are to be used based on the needs of the organization and the wishes of the donors.

c) Memorial Gifts

Unrestricted memorial gifts are to be used based on the needs of the organization and the wishes of the donors.

VII. Gift Valuation

The organization shall follow existing laws and Internal Revenue Service regulations for the valuation of gifts. Donors of gifts of cash or cash equivalents will receive receipts that include the



amount and date of the gift. Gifts such as stock, real estate, personal property, life insurance, etc. require specific methods of valuation for the protection of both the donor and the organization.

- a) Publicly Traded Stocks and Bonds are accepted at fair market value as determined under Internal Revenue Service rules. They are acknowledged by receipt for the number of shares given and the value of the securities on the date of the gift.

The valuation of the gift is the median market price on the date of the gift multiplied by the number of shares. The median price is determined by adding the high and the low stock price and dividing by two. The date of the gift is the date when the donor made the gift (as opposed to when the organization received notice of it).

- b) Life Insurance Policies: if the organization is made the owner of a term insurance policy, a receipt without gift valuation which describes the policy will be issued to the donor. If an insurance policy has a cash value at the time of the gift, a receipt containing the policy description and the amount of the policy reserve as of the date of the gift will be issued to the donor. A receipt will be issued for the value of all gifts contributed by the donor to the organization for the purposes of paying the premiums.
- c) Stock in Closely-held Corporations, Real Estate, and Personal Property will be reviewed by the Executive Director or Ephraim Historical Foundation Board of Directors prior to acceptance. Receipt for such gifts will reflect description of the gift, omitting valuation. In instances where the organization issues a receipt with no financial valuation, the donor is required to establish the gift's value by independent appraisal. It is the donor's personal responsibility to defend against challenges, if any, to claims for tax benefits.