

## **GIFT ACCEPTANCE PRINCIPLES AND GUIDELINES**

### **I. MISSION**

The Gulf of Maine Research Institute (GMRI) catalyzes solutions to the complex challenges of ocean stewardship and economic growth in the Gulf of Maine bioregion, through a dynamic fusion of science, education, and community.

### **II. PURPOSE OF PRINCIPLES AND GUIDELINES**

GMRI is a 501(c)(3) nonprofit organized under the laws of the State of Maine. Throughout our existence, our capacity to achieve our mission has been fueled by the generosity of numerous individuals, corporations, and foundations. GMRI's Board of Directors and staff recognize the continuing importance of charitable giving to GMRI's well-being and future growth. Due to the ever-increasing complexity of giving plans and concepts, the following core principles and guidelines have been established to ensure that all gifts are structured to provide maximum benefits for both the donor and GMRI.

### **III. CORE PRINCIPLES**

GMRI's Board of Directors and staff appreciate a donor's consideration of any gift. We accept and encourage charitable support according to the following core principles:

- The gift advances GMRI's mission.
- There is a reasonable expectation that GMRI will be able to fulfill the spirit of the donor's intent in making the gift.
- There is a mutual belief that the gift will further the philanthropic, social, financial, or estate planning goals of the donor.
- It is within GMRI's power to recognize the gift in a way that honors the donor's wishes and is fair and equitable to other supporters.
- The cost to realize the value of the gift and/or recognize it appropriately will not be excessively burdensome, nor reflect negatively on the organization.
- GMRI carefully protects its integrity and autonomy – the gift cannot create undue influence, cause us to compromise our values, or result in any unlawful or discriminatory activity.
- GMRI will conduct due diligence as appropriate prior to gift acceptance.
- The gift will be reported, with transparency and in full compliance with current regulations, to the required federal and state agencies.

### **IV. GIFT ACCEPTANCE COMMITTEE**

GMRI has established and will maintain a Gift Acceptance Committee consisting of:

- 1) Chair of the Board of GMRI;

- 2) Chair of the Finance Committee of GMRI;
- 3) Chair of the Development Committee of GMRI;
- 4) Such other members as appointed by GMRI's President; and
- 5) Ex-officio members shall include GMRI's President/CEO, Director of Finance and Chief Development Officer.

The Gift Acceptance Committee is charged with the responsibility of annually reviewing gift acceptance principles and guidelines, reviewing unusual gifts, and making recommendations to the GMRI's board on gift acceptance issues when appropriate.

## **V. DONOR USE OF ADVISORS**

Most gifts offer some tax advantage to donors, and GMRI urges each donor to seek the most appropriate ways to maximize these advantages. While GMRI welcomes the opportunity to discuss philanthropic goals, giving opportunities, and gift intentions with each donor, we will not offer specific financial or estate planning advice on gift methods, financial management, or other aspects charitable gift planning. GMRI urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. GMRI makes every effort to ensure gifts are in the best interest of the organization and the donor, and to comply with the *Donor Bill of Rights* (available through <http://www.afpnet.org>) and the *Model Standards of Practice for the Charitable Gift Planner* (available through <http://www.pppnet.org>)

## **VI. USE OF LEGAL COUNSEL**

GMRI reserves the right to seek legal counsel in any matter concerning the negotiation, documentation and/or acceptance of gifts. Review by counsel will be considered for any transaction, including but not limited to:

- 1) Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- 2) Documents naming GMRI as a Trustee.
- 3) Gifts involving contracts, such as bargain sales or other documents requiring GMRI to assume an obligation.
- 4) Transactions with potential conflict of interest that may invoke IRS sanctions.
- 5) Other instances as deemed appropriate by the Gift Acceptance Committee.

## **VII. TYPES OF GIFTS ACCEPTED**

GMRI welcomes outright gifts of cash, securities, insurance policies, real and personal property, as well as multiyear pledges. We are also pleased to accept deferred gifts such as bequests, trusts, and annuities. The following assets are acceptable as described, either as outright gifts, as bequests or estate gifts, or when deemed appropriate by GMRI's Gift Acceptance Committee:

*Cash:* GMRI accepts cash, currency/coin, checks, money orders, bank drafts, and gifts via credit/debit cards. Check or money orders should be made payable to the Gulf of Maine Research Institute.

*Securities:* GMRI accepts both publicly traded and closely held securities.

*Publicly Traded Securities:* Gifts of publicly traded stocks and bonds will generally be accepted. To expedite transfer of funds to the appropriate account and facilitate processing, GMRI's brokerage firm or investment department of the financial institution that manages the majority GMRI's short term cash shall be used whenever possible. It is GMRI's policy to sell donated securities immediately upon completion of the donation. GMRI may decline donations of publicly traded securities due to restrictions, encumbrances, lack of market activity, or any other reason.

*Closely Held Securities:* Closely held stock (including, but not limited to debt and equity positions in non-publicly traded companies, interests in limited partnerships and limited liability companies) will be accepted if and only if doing so is in GMRI's best interest. In making this determination, the GMRI will consider marketability, tax consequences, and other matters deemed appropriate. Every effort will be made to sell closely-held securities as quickly as possible unless a longer term hold is deemed advisable by GMRI in its sole discretion.

*Deferred Income/Retirement Plan Beneficiary Designations:* Donors and supporters of GMRI will be encouraged to name GMRI as beneficiary of their retirement plans including IRA's, 401(K)'s, 403(B)'s and other plans. Direct Rollovers from such plans may also be possible and will be accepted as made allowable by IRS law.

*Insurance:* GMRI may be named as a percentage or contingent beneficiary of any life insurance policy. In addition, GMRI accepts life insurance policies for which the donor has relinquished ownership by assigning all rights, title, and interest in the policy to GMRI. If the insurance policy is not fully paid up, the usefulness of the gift is judged on a case-by-case basis. If the policy is accepted, GMRI may choose either to cash it in for the current surrender value or continue to pay the premium. GMRI shall have no obligation to continue premium payments on insurance policies. Paid-up life insurance policy gifts in which GMRI is the owner and irrevocable beneficiary are acceptable.

*Tangible Personal Property:* GMRI may accept gifts of tangible personal property. Before accepting personal property, GMRI will consider, among other things, potential use, marketability, restrictions, and carrying costs.

*Real Estate:* Donations of real estate (including *remainder interests*) will be accepted only after a review by GMRI's legal counsel. Before accepting a donation of real estate, GMRI will consider, among other things, potential use, marketability, restrictions, carrying costs, environmental liability, and existence of financial encumbrances. Our customary procedure will be to sell such gifts immediately, however GMRI retains the right to postpone a sale; the donor may not stipulate the timing of a sale.

In the case of a remainder interest in a personal residence, farm, or vacation home, the donor or other occupant may continue to occupy the real property for the duration of the life of the stated beneficiary. Expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

*Bargain Sales:* GMRI may accept donations involving bargain sales, subject to approval by the Gift Acceptance Committee. Factors used in determining the appropriateness of the transaction include: value substantiated through independent appraisal, debt ratio, potential for use or sale of property, costs to safeguard, insure, and other expense to own the property (including property tax, if applicable) during the holding period.

*Charitable Gift Annuities:* A charitable gift annuity program is currently under consideration but has not yet been affirmed by the GMRI board.

*Trusts:* GMRI will accept beneficial interests in trusts, including but not limited to charitable lead trusts and charitable remainder trusts. We will not generally accept appointment as a trustee.

Other types of gifts not mentioned in these guidelines, including intangible personal property (such as oil/gas/mineral/timber rights, licenses, patents etc.) and in-kind contributions may be acceptable within reason for the purpose given, and in an amount appropriate for the gift type. GMRI will use fiscally and legally sound rationale for acceptance, and will review with the Gift Acceptance Committee and GMRI's legal counsel when appropriate. We will adhere to the general spirit of GMRI's gift principles and guidelines under such circumstances.

## **VIII. RESTRICTIONS ON GIFTS**

GMRI will not accept restricted gifts that violate our bylaws, that are prohibitively difficult to administer, or that are for purposes outside the mission of GMRI. Any decision to refuse or accept an unusually restricted gift shall be reviewed by the Gift Acceptance Committee.

## **IX. RECORDING AND VALUATION OF GIFTS**

Acknowledgement of all gifts made to GMRI and compliance with current IRS requirements in acknowledgement of such gifts shall be the responsibility GMRI's Development and Finance staff in accordance with IRS Publication 561 *Determining the Value of Donated Property* (<http://www.irs.gov/pub/irs-pdf/p561.pdf>) and IRS Publication 52 *Charitable Contributions* (<http://www.irs.gov/pub/irs-pdf/p526.pdf>). For donor's records, gifts are dated at the time they leave the donor's possession; for GMRI's records, all gifts are dated when received. Gifts of cash, securities, and paid insurance policies are accepted immediately upon receipt. For deferred gifts such as bequests, trusts, annuities and life estates, irrevocable gifts are counted at the time of the gift, discounted as necessary. Revocable gifts will be gratefully acknowledged and may be counted toward fundraising goals (e.g., campaign reports) according to generally accepted practices but will not be booked as income to GMRI until realized.

Multiyear pledges will be documented through a written gift agreement. We appreciate payment in the shortest amount of time practical for the donor, generally not to exceed five years. Exceptions can be made if it is in the best interests of GMRI and the donor and the duration of pledge of more than five years is the only way a major gift can be made to GMRI. Generally, in accordance with standard accounting procedures, we will recognize the full value as income in the year the pledge is made and may use pledges as collateral for a line of credit to meet operating expenses.

Gifts (other than cash, which should be valued at dollar face value) will be valued in an appropriate manner and in consonance with sound accounting principles and the valuation rules set out in Publication 561 of the Internal Revenue Service and the relevant income, gift and estate tax laws and regulations. Copies of Publication 561 are available at [www.irs.gov](http://www.irs.gov) or at GMRI's office. Generally, real, personal, and/or intangible property contributed to GMRI that has a value in excess of \$5,000 must be accompanied by a qualified independent appraisal. GMRI reserves the right to undertake an appraisal at its own expense.

Full responsibility rests on the donor for claiming any deductions including filing form 8283. Any appraisal, legal documents, or environmental assessment found necessary will be the responsibility of and conducted at the expense of the donor. Full responsibility also rests on the donor for the value given to tangible personal property or services, and donors will be expected to provide GMRI with a copy of any qualified appraisal required. GMRI will not be responsible for appraising the value of goods and/or services provided by a donor.

GMRI will be responsible for filing IRS Form 8282 in compliance with IRS guidelines upon the sale or disposition of any asset sold within two years of receipt by GMRI when the charitable deduction value of the item is more than \$5,000.

GMRI reserves the right to alter the value of property contributed to it on the books and records of GMRI for accounting, tax-reporting, annual fund record-keeping or any other purpose if developments after the completion of the gift or information that comes to the attention of GMRI after the gift is completed are determined, upon review by the Gift Acceptance Committee or GMRI's auditors, to merit such an alteration.

GMRI reserves the right to allocate 5% of gifts received to fund institutional development annual operating expenses unless a donor stipulates that funds cannot be used in this manner.

## **X. STEWARDSHIP AND CONFIDENTIALITY**

Donors can expect appropriate documentation of their gift, timely reporting on the use of funds (if desired), and utmost respect for the privacy of their personal or proprietary information.

GMRI strives to recognize donors and their gifts appropriately. Donor names and giving levels may be published in GMRI's annual report or other print and online communications. Recognition may also be associated with specific programs or events. Naming opportunities can be provided to recognize major gifts. Entire buildings, portions of buildings, rooms, and endowed positions or services can be named in recognition of a donor, a member of the donor's family, an honored friend of the organization, or another individual. All naming opportunities for

major gifts will be made with the permission and involvement of the donor, GMRI's President, and Chief Development Officer. Such naming opportunities may be subject to review by GMRI's Gift Acceptance Committee prior to gift acceptance.

All reasonable steps shall be made to keep information concerning prospective, active, inactive or lapsed donors confidential. No information, other than for the purposes of recognition, shall be released to the general public who do not have a need to know without securing the prior permission of the donor. Donor requests for anonymity will always be honored. See GMRI's Privacy Policy ([www.gmri.org](http://www.gmri.org).) for more information.

## **XI. CHANGES TO GIFT ACCEPTANCE POLICIES**

These policies and guidelines have been reviewed and accepted by GMRI's Gift Acceptance Committee, president, and board of directors. GMRI's Gift Acceptance Committee must approve any changes to, or deviations from, these policies.

Approved on the 15th day of July, 2011.

John N. Kelly  
Chairman  
Gulf of Maine Research Institute