



GIFT ACCEPTANCE POLICY

April 2020

The AIP Foundation encourages the solicitation and acceptance of gifts to propel the mission of the American Institute of Physics (AIP). The following policies are set forth by the Board of Trustees of the AIP Foundation concerning the acceptance of charitable gifts and provide guidance to prospective donors and their advisors when making gifts to the AIP Foundation.

The AIP Foundation reserves the right to refuse gifts that are considered as conflicting with the mission and values of AIP or the AIP Foundation or potentially damaging to the integrity or financial interests of either entity. The following policies seek to assure that all gifts will provide maximum benefit to AIP, to the donor, and to the donor's heirs.

I. General Policies and Guidelines

- A. The AIP Foundation accepts both restricted as well as unrestricted gifts provided that donor restrictions do not significantly diminish the value of the gift, as solely determined by AIP. AIP Foundation will provide all possible staff and volunteer assistance to potential donors to discuss AIP Foundation funding priorities, the donor's interests, and the various ways to give.
- B. Gifts to AIP Foundation should be made in the name of the Foundation and will be received, held and administered by the AIP Foundation under the direction of the Board of Trustees. All gifts to the AIP Foundation should be directed to the Foundation where they will be accepted, acknowledged and administered in accordance with the policies of the AIP Foundation, including this policy.
- C. No solicitation of cash or gifts of real property on behalf of the AIP Foundation shall be made by anyone without the approval of the Executive Director of the Foundation or a designated representative(s).
- D. The AIP Foundation will acknowledge and recognize all gifts appropriately according to its gift acknowledgement and recognition procedures.
 - a. The Foundation's Executive Director or Chief Financial Officer shall have authority to sign gift agreements on behalf of the AIP Foundation. Any gift agreement which does not meet the requirements of the guidelines in this policy shall require the approval of the Foundation's Gift Acceptance Committee.

- b. All gifts and pledges will be counted and credited in accordance with AIP Foundation's established guidelines.

- E. The AIP Foundation reserves the right to accept (or, in cases where absolutely necessary, to decline) any commitment which is offered to them. The Foundation also reserves the right to determine how any commitment will be counted and/or how such commitments will be recognized.

- F. For gifts that require qualified independent appraisals under this policy, it is the responsibility of the donor to secure and pay for the appraisal.

- G. Information concerning transactions between the donor and AIP Foundation will remain confidential and will only be disclosed if the AIP Foundation has received permission of the donor or donor's designee.

- H. Unless approved in advance by the Executive Director and the Gift Acceptance Committee, AIP Foundation will not agree to serve as executor of a decedent's estate nor as trustee of a living trust or other trust intended to serve as a person's primary estate planning document.

- I. This document will be overseen by the Board of Trustees and is subject to periodic review as outlined in Section VII of this document.

II. Legal Considerations

AIP Foundation shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate and will comply with all local, state and federal laws and regulations.

AIP Foundation will inform donors and prospective donors that the Foundation does not provide financial or legal advice and will encourage donors to seek professional counsel on all charitable gifts.

III. Gift Acceptance Committee

Exceptions to these guidelines shall be submitted to the Gift Acceptance Committee, which shall consist of the Foundation's Executive Director, Chief Financial Officer, and the Director of Development with counsel from the Board of Trustees as needed.

IV. Outright Gifts and Pledges

Outright gifts are current gifts that are usable by AIP Foundation (or are at the full disposal of AIP Foundation) when the gift is transferred.

- A. Cash: will be acceptable in any negotiable form, including currency, check, credit card, or electronic funds transfer.
- B. Pledges: should be made in writing and should commit to a specific dollar amount that will be paid according to a fixed time schedule. Pledges require a signed pledge agreement. The recommended maximum pledge period is five years. Written pledges with a longer payment schedule will not be accepted without approval of the Gift Acceptance Committee.
- C. Securities:
- i. *Publicly Traded Securities*: Stocks, bonds and mutual funds traded on an exchange or other publicly reported market are acceptable. All publicly traded securities are sold immediately.
 - ii. *Closely Held Securities and Business Interest*: Debt and equity positions in non-publicly traded businesses, hedge funds, Real Estate Investment Trusts, interests in limited liability companies and partnerships will be accepted at the discretion of the AIP Foundation on a case-by-case evaluation of the conditions affecting the eventual sale of the securities by the Foundation. If restrictions are placed on the securities by the donor or by the terms of the securities themselves, acceptance of the gift shall be subject to the prior approval of the Gift Acceptance Committee.
 - iii. *Options and Other Rights in Securities*: Warrants, stock options and stock appreciation rights are subject to the same evaluation process outlined in section C. ii. and may require prior written approval by the Gift Acceptance Committee.
- D. Real Property: Personal and commercial real property, real estate interests/derivatives and remainder interests in property may only be accepted upon written approval by the Foundation's Gift Acceptance Committee and the Board of Trustees.
- E. Sponsorships: To be accepted, sponsorship gifts must comply with the IRS rules on qualified sponsorship payments¹.
- F. Bargain Sales: Transactions where AIP Foundation pays less than full value for an asset and issues a gift receipt for the difference may only be accepted upon prior written approval of the Gift Acceptance Committee after review in accordance with Gift Acceptance procedures.

¹ http://www.irs.gov/publications/p598/ch03.html#en_US_2014_publink100011928

G. Tangible Personal Property and Gifts-in-Kind: will be accepted for the purpose of sale or use consistent with AIP's mission and objectives. AIP Foundation reserves the right to determine potential salability of a proposed in-kind gift before acceptance. Donated services must either create or enhance the non-financial assets of AIP Foundation or require skills that would typically need to be purchased if not provided by donation. It is the sole responsibility of the donor to determine the value of the gift for their tax purposes, and gifts valued over \$5,000 must be evaluated by a qualified independent appraiser in accordance with IRS guidelines. In-kind gifts are subject to the approval of the Executive Director and may be accepted under the following general guidelines or considerations:

- i. Generally, AIP Foundation's acceptance of such gifts cannot involve significant additional expense for their present or future use, display, maintenance, or administration.
- ii. Generally, no burdensome financial or other obligations can be incurred, directly or indirectly, by AIP Foundation as a result of its acceptance of such gifts.
- iii. AIP Foundation will not accept gifts of tangible personal property if such gifts are to be made on the condition, understanding, or expectation that the gifted items will be loaned to the donor or to persons designated by the donor for life or for an extended period of time as determined by the donor.
- iv. AIP Foundation maintains the right to sell any in-kind gift at a future date.

H. Charitable Lead Trusts: will be accepted if AIP Foundation is listed as an income beneficiary. The AIP Foundation will not serve as trustee of a charitable lead trust.

I. Matching Gifts: Matching gifts will be accepted by AIP Foundation subject to the terms and conditions of these policies. A matching gift cannot be used to fulfill a pledge commitment as the donor has no control over whether that match will be made nor can s/he/they legally obligate the company or entity to honor that pledge.

J. IRA Charitable Rollover: AIP Foundation may accept all gifts directly transferred from an IRA, as permitted under the Pension Protection Act of 2006 and subsequent extensions.

V. **Irrevocable Deferred Gifts**

A. Charitable Remainder Trusts: AIP Foundation will serve as trustee of charitable remainder trusts, provided:

- i. It is funded, initially, with assets of at least \$100,000 and a minimum charitable remainder of 25%.
- ii. Trusts may be established for less than \$100,000 if it can be determined that the charitable remainder portion of the gift is sufficient to handle the administrative costs and provide a substantial gift to AIP Foundation.

- iii. Costs such as investment management, administration, legal counsel and tax return preparation will be charged to the trust.
- iv. Prior written approval is gained from the Gift Acceptance Committee and Executive Director.

B. Retained Life Estate:

- i. The gift of a primary residence, a vacation home, or a farm with retained life interest on the part of the donor can be accepted and shall be arranged with a trust agreement provided that the donor deeds the property to AIP Foundation immediately.

Calculation of the remainder interest, which is allowed for federal income tax deduction credit is based on an IRS formula.

- C. Life Insurance Policies:** AIP Foundation will accept a gift of life insurance provided that the policy has a positive cash surrender value and AIP Foundation has been named both beneficiary and irrevocable owner of the policy. Other various life insurance gifts may be acceptable based on review and approval by the Gift Acceptance Committee.

VI. Revocable Deferred Gifts

- A. Gifts by Will and Living Trust: Donors and supporters of AIP Foundation will be encouraged to designate AIP Foundation as a beneficiary of their wills or living trusts.
- B. Retirement Plan, Life Insurance and Other Beneficiary Designations: Supporters of AIP Foundation will be encouraged to designate AIP Foundation as beneficiary of their retirement plans, life insurance policies, and other accounts on which they can name a beneficiary.

VII. Periodic Review

The Board of Trustees shall review this policy and associated guidelines at least every 2 years to ensure they continue to describe the policies of AIP Foundation with respect to the acceptance of charitable gifts and shall propose ratification of those revisions that they deem appropriate. The policy will be updated immediately based upon any regulations which impact the policy or acceptance of charitable gifts.

Approved by AIP Foundation Board of Trustees April, 2020