

GIFT ACCEPTANCE POLICY

I. Purpose of Policies and Guidelines

The Deering Estate Foundation, Inc. (DEF) is a not for profit organization under the laws of the State of Florida. DEF encourages the solicitation and acceptance of current and deferred gifts from individuals, corporations, government entities, and foundations for purposes that will help DEF to further and fulfill its mission. The Board of Directors of DEF, Executive Director, and staff is responsible for establishing and implementing fundraising strategies to meet the voluntary gift support needs of the DEF. The following policies and guidelines govern acceptance of gifts made to DEF or for the benefit of any of its programs. The following policies have been developed to guide the efforts of all staff, volunteers, and allied advisors involved in gift solicitation on behalf of DEF.

II. Use of Legal Counsel

DEF shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate. Review by counsel is recommended for:

- review of closely held stock transfers that are subject to restrictions
- review of documents naming DEF as Trustee
- review of all gifts involving contracts, such as bargain sales or other documents requiring DEF to assume an obligation
- Buy-sell agreements review of all transactions with potential conflict of interest that may invoke IRS sanctions
- and such other instances in which use of counsel is deemed appropriate by a Gift Acceptance Committee and Board of Directors of DEF.

III. Conflict of Interest

All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. DEF will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

IV. Definitions

All gifts to DEF will fall into one of the following categories:

Current Gifts contributed by a donor are granted under the terms of which the charity may expend all or a portion of the assets at its discretion for the specified purposes in the near term.

Deferred Gifts are a broad description for charitable gifts that provide a "deferred" benefit to the charity. These gifts are not available for use until some future date. Thus, they are not used to fund immediate operations or near-term capital projects. Since an endowment fund is generally viewed as a way of building future reserves, deferred gifts are particularly well-suited for that purpose. Oftentimes, deferred gifts are used interchangeably with planned gifts.

GIFT ACCEPTANCE POLICY

The General Fund is the term used to denote any and all unrestricted accounts used for the general operations of DEF.

The Endowment Fund provides a tool to reach moneys otherwise not available to DEF through annual fundraising by offering contributors of substance the opportunity to make a gift in perpetuity. The intent is to grow the endowment by not removing any of the principal and reinvesting all or a portion of the income. This will ultimately provide more funds to support the programs and services offered by DEF in fulfilling its mission.

Notes:

All planned gifts, unless otherwise specified by a donor and accepted by DEF, including but not limited to bequests, distributions of principal or income from charitable trusts, proceeds from charitable gift annuities and pooled income funds held at DEF or other community based organizations, endowed donor advised funds, long-term grants made from private foundations, or memorial gifts unless otherwise restricted by an individual donor, would go into the unrestricted endowment assets of a DEF Endowment Fund.

The fiscal year of DEF shall end on June 30 of each year.

V. *Restrictions on Gifts*

DEF 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. DEF will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter or bylaws of DEF, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of DEF. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by a Gift Acceptance Committee and the Board of Directors of DEF.

VI. *The Gift Acceptance Committee*

The gift acceptance committee shall consist of: The Executive Director and Executive Committee of DEF with recommendations from the Board of Directors of DEF. The gift acceptance committee is charged with the responsibility of reviewing all gifts made to DEF, properly screening and accepting those gifts, and making recommendations to the Board of Directors of DEF on gift acceptance issues where appropriate. The Committee shall always include an attorney and certified public accountant.

VII. *Types of Gifts*

DEF may accept those gifts presented to it which are “readily marketable”, and not subject to significant liabilities as outlined in DEF’s Gift Acceptance Policies. In conformance with applicable statutes and regulations governing charitable institutions, gifts to DEF may not be directly or indirectly subject to material restrictions or conditions that prevent DEF from utilizing the assets or the income derived from them in furtherance of its tax exempt purposes. The following gifts are considered acceptable:

GIFT ACCEPTANCE POLICY

Current Gifts

- Cash
- Securities (Publicly Traded and Closely Held)
- Real Estate
- Life Insurance
- Tangible Personal Property

Deferred Gifts

- Bequests *
- Charitable Gift Annuities *
- Pooled Income Fund *
- Charitable Remainder Trusts *
- Charitable Lead Trusts *
- Life Insurance
- Retirement Assets
- Remainder Interests in Property

*Refer to page 7

For those gifts which are not “readily marketable,” DEF will follow specific procedures as outlined in DEF’s Gift Acceptance Policies.

DEF will accept gifts in the following form, subject to the conditions described herein.

Current Gifts:

Cash: Cash is acceptable in any form. Checks shall be made payable to “The Deering Estate Foundation, Inc.” and shall be delivered to DEF administrative offices for benefit of DEF and its programs.

Securities: DEF can accept both publicly traded securities (such as those traded on a stock exchange – NYSE, AMSE, NASDAQ- or government and corporate bonds) and closely held securities. For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the date of the gift.

Note: Publicly Traded Securities may be electronically transferred to an account maintained at one or more brokerage firms, reregistered in the name of DEF, or delivered physically with the transferor's signature of stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Executive Committee, or appropriately established Investment Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instances, the final determination on the acceptance of the restricted securities shall be made by a Gift Acceptance Committee and the Board of Directors of DEF. Gifts of bonds that require a holding period may be accepted and cashed when the holding period has expired.

GIFT ACCEPTANCE POLICY

Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval by a Gift Acceptance Committee and the Board of Directors of DEF. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent DEF from ultimately converting those assets to cash,
- The security is marketable, and
- The security will not generate any undesirable tax consequences for DEF.

Note: No commitment for repurchase of closely held securities shall be made prior to completion of the gift of securities. If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the by a Gift Acceptance Committee and Board of Directors of DEF, and legal counsel where necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

Securities that are unacceptable include those that are assessable or create a potential liability, securities that may not be assigned, such as Series A Savings Bonds, and those that have no apparent value.

Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of the real property, the gift shall be approved by a Gift Acceptance Committee and Board of Directors of DEF with recommendations by legal counsel as necessary. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of DEF?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

In general, DEF desires that individuals convey property directly to DEF. The property will then be sold by such process and timing as DEF leadership dictates. The property must be transferred to DEF prior to any formal offer or contract for sale being made. The donor or the donor's estate is normally responsible for any costs associated with the conveyance of property to DEF as a charitable contribution. The donor or donor's estate may be asked to pay for all or a portion of the following:

- Maintenance costs
- Real estate taxes
- Insurance

GIFT ACCEPTANCE POLICY

- Real estate broker's commission and other costs of sale
- Appraisal costs

The donor or donor's estate is normally responsible for obtaining and paying for an appraisal of the property. The appraisal will be conducted by an independent, professional agent. The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, it must show documented valuation of comparable properties located in the same area. The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding mortgages, liens, litigation or title disputes. DEF reserves the right to require an environmental assessment of any potential real estate gift.

For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate or sale price; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commissions and other expenses of sale.

Life Insurance: DEF must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, DEF will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, DEF may:

- Continue to pay the premiums,
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

Tangible Personal Property: Tangible personal property (such as jewelry, artwork, collections, equipment, and software) can be used to fulfill DEF's tax exempt purposes or can be sold - depending on the anticipated value of the gift. Gifts of tangible personal property shall be evaluated by the Gift Acceptance Committee based on the following criteria:

- Does the property fulfill the mission of DEF?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?
- Is the property marketable?

A qualified outside appraiser may be asked to determine its value. DEF shall adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide appropriate forms to the donor and IRS. The final determination on the acceptance of gifts of

GIFT ACCEPTANCE POLICY

tangible property gifts shall be made by a Gift Acceptance Committee and Board of Directors of DEF based on recommendations from outside consultants or counsel.

Deferred Gifts:

DEF encourages deferred gifts in its favor through any of a variety of vehicles such as a bequest, charitable gift annuity (or deferred gift annuity), pooled income fund, charitable remainder trust, charitable lead trust, and/or remainder interest in property.

DEF, or its agent, should not be designated in a will as a personal representative for a donor's estate. A member of DEF staff serving as a personal representative for a member of the community does so in a personal capacity, and not as an agent of DEF.

DEF, or its agent, shall not act as trustee of a charitable remainder trust without prior written consent of the Board of Directors.

When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned gift related documents, materials, illustrations, letters or other correspondence, the following disclaimer should be included:

DEF strongly urges you to consult with your attorney, financial and/or tax advisor to review and approve this information provided to you without charge or obligation. This information in no way constitutes advice. DEF will gladly work with your independent advisors to assist in any way.

All information obtained from or about donors/prospects shall be held in the strictest confidence by DEF, its staff and volunteers. The donor's name, the amount or the conditions of any gift, shall be published without the express written or oral approval of the donor and/or beneficiary.

DEF will seek qualified professional counsel in the exploration and execution of all planned gift agreements. DEF recognizes the right of fair and just remuneration for professional services.

The Board of Directors, upon advice of the Gift Review Committee, reserves the right to decline any gift that does not further the mission or goals of DEF and which DEF determines will be harmful to its operations and reputation. Also, any gifts that create an administrative burden or cause DEF to incur excessive expenses may be declined.

Bequests: Donors and supporters of DEF shall be encouraged to make bequests to DEF under their wills and trusts. Such bequests shall not be recorded as gifts to DEF until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

GIFT ACCEPTANCE POLICY

Charitable Gift Annuities: DEF does not currently offer Charitable Gift Annuities. Individuals wishing to include DEF as a charitable beneficiary of a Charitable Gift Annuity may do so through an agreement set up at a local community foundation, umbrella organization, or similarly structured organization that offers Charitable Gift Annuities and facilitates charitable beneficiary payments to organizations and programs outside of its own operating structure.

Pooled Income Funds: DEF does not currently offer Pooled Income Funds. Individuals wishing to include DEF as a charitable beneficiary of a Pooled Income Fund may do so through an agreement set up at a local community foundation, umbrella organization, or similarly structured organization that offers Pooled Income Funds and facilitates charitable beneficiary payments to organizations and programs outside of its own operating structure.

Charitable Remainder Trusts: DEF will not accept appointment as “trustee” of a charitable remainder trust. DEF may ONLY accept designation as remainder beneficiary of a charitable remainder trust. It is recommended that a donor consult with the DEF Gift Acceptance Committee and/or Board of Directors of DEF to gain its approval prior to naming DEF as a charitable beneficiary.

Charitable Lead Trusts: DEF will not accept appointment as “trustee” of a charitable lead trust. DEF may ONLY accept designation as an income beneficiary of a charitable lead trust. It is recommended that a donor consult with the DEF Gift Acceptance Committee and/or Board of Directors of DEF to gain its approval prior to naming DEF as a charitable beneficiary.

Life Insurance Beneficiary Designations: Donors and supporters of DEF shall be encouraged to name DEF as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to DEF until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

Retirement Plan Beneficiary Designations: Donors and supporters of DEF shall be encouraged to name DEF as beneficiary of their retirement plans. Such designations shall not be recorded as gifts to DEF until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

Remainder Interest in Property: DEF will consider a remainder interest in a personal residence, farm, or any real property subject to an appraisal and review by the Gift Acceptance Committee. The donor or other occupants may continue to occupy the real property or reduce it to cash. At the death of the donor, DEF may use the property or reduce it to cash. Where DEF receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

VIII. Valuation of Charitable Gifts

GIFT ACCEPTANCE POLICY

DEF shall record a gift received by DEF at its fair market value on the date of gift.

In order for DEF to provide written substantiation for gifts, the donor will supply DEF with correct spelling of their name, appropriate contact information, and the necessary IRS documentation to substantiate the value of the gift.

The Gift Acceptance Committee and Board of Directors of DEF are responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within **two years** of receipt by DEF where the charitable deduction value of the item was \$5,000 or greater. DEF must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

Acknowledgement of all gifts made to DEF and compliant with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Gift Acceptance Committee of DEF. IRS Publication 562 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* are attached to these policies as an Appendix.

IX. Gifts to the County, Deering Estate at Cutler

In making gifts to the Deering Estate at Cutler, The Deering Estate Foundation, Inc. will follow the policies and guidelines established by Miami-Dade County Administrative Order 1-3 “Gifts to the County” which state:

The authority to accept or reject gifts, donations, artwork, commemorative and/or memorial structures, and devises or bequests offered to the County with a fair market value greater than \$1,000 lies with the County Manager, on behalf of Metropolitan Dade County.

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Additionally, the Deering Estate Foundation, Inc. will work with the Director of the Estate to complete MD-C’s “Acceptance/Rejection of Artwork and/or Commemorative Donations” worksheet attached to AO No. 1-3 as well as provide information to the Exhibits and Collections Coordinator of the Estate in order to follow appropriate Accession and De-accession Policies and Procedures established by the Deering Estate at Cutler.

X. Changes to Policies

These policies and guidelines have been reviewed and approved by the Gift Acceptance Committee and Board of Directors of DEF. Any changes to or deviations from these policies are subject to approval by the Gift Acceptance Committee and Board of Directors of DEF.

Approved on the _____ day of _____, 2007.

Chairman, Board of Directors, The Deering Estate Foundation, Inc.

GIFT ACCEPTANCE POLICY

ATTACHMENTS

Model Standards of Practice of the Charitable Gift Planner

IRS Form 8282 and Instructions

IRS Publication 561 Determining the Value of Donated Property

IRS Publication 526 Charitable Contributions

MDC Administrative Order 1-3: "Gifts to the County"

MDC Operations Manual, Section 6.150 "Gifts and Donations"

**On File at the Deering Estate at Cutler "Exhibits and Collections Department Policies and Procedures, Section IV:
Acquisition, Accession, and Deaccession.**