

GIFT ACCEPTANCE POLICIES AND GUIDELINES

The Maryland African American Museum Corporate (the “MUSEUM”), a federally recognized 501(c)(3) not-for-profit organization incorporated under the laws of Maryland, encourages the solicitation and acceptance of gifts for purposes that will help the MUSEUM further and fulfill its mission.

The mission of the MUSEUM is to document, interpret and preserve the complex experiences, contributions and culture of Black people in Maryland. We serve as catalyst for sustained change by providing programs, exhibitions and bold conversations that educate and challenge.

The following policies and guidelines govern acceptance of gifts made to the MUSEUM for the benefit of any of its operations, programs or services.

I. Purpose of Policies and Guidelines

The Board of Directors of the MUSEUM, its staff and volunteer leaders solicit current and deferred gifts from individuals, families, corporations, and foundations to secure and support the MUSEUM’s current and future operations. These policies and guidelines govern the acceptance of gifts by the MUSEUM and provide guidance to prospective donors and their advisors when making gifts to the MUSEUM.

II. The MUSEUM’s Development Committee

The MUSEUM’s Development Committee is charged with the responsibility of reviewing all gifts requiring review under the terms of these policies, accepting or rejecting those gifts as appropriate, returning any gift deemed inconsistent with the MUSEUM’s purpose or is otherwise deemed inappropriate, addressing any conflicts of interest and other ethical considerations that may arise, and making recommendations to the MUSEUM’s Board on gift

acceptance issues when appropriate. The Development Committee will meet as needed, via conference call, virtually or in person.

The MUSEUM's President and its Director of Development will provide staff support to the Development Committee.

III. Use of Legal Counsel

The MUSEUM, through its Development Committee, will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Gifts of closely held stock that are subject to restrictions or buy-sell agreements;
- B. Documents naming the MUSEUM as trustee or requiring the MUSEUM to act in any fiduciary capacity;
- C. Gifts involving contracts, such as bargain sales or other documents requiring the MUSEUM to assume financial or other obligations;
- D. Transactions with potential conflicts of interest;
- E. Other instances in which use of counsel is deemed appropriate by the MUSEUM's Development Committee or the Committee's staff.

IV. Conflict of Interest

The MUSEUM will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

If a donor does not have independent counsel and asks for a referral, the MUSEUM may provide a list of no less than 3 referrals, not recommendations. The MUSEUM cannot have any influence on the donor's choice of advisor nor can the advisor be a board member of the MUSEUM.

The MUSEUM will comply with the Model Standards on Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

V. Restrictions on Gifts

The MUSEUM will generally accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes and priorities. The MUSEUM will not accept gifts that (a) would result in the MUSEUM violating its corporate charter, (b) would result in the MUSEUM losing its status as an IRC § 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for the MUSEUM, or (e) are for purposes outside the MUSEUM's mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the MUSEUM's Development Committee or the Committee's staff.

A. Morality Clause

The MUSEUM is committed to upholding standards of ethical conduct and integrity in all aspects of its operations, including the acceptance of gifts and donations. The MUSEUM recognizes its responsibility to carefully consider the sources of all gifts and donations to ensure they align with its mission and values. In furtherance of this commitment, the MUSEUM adopts the following morality clause for its gift acceptance policy:

Alignment with Mission: The MUSEUM will only accept gifts and donations that align with its mission. Gifts should contribute positively to the MUSEUM's collections, exhibitions, educational programs, and public outreach efforts.

Ethical Considerations: The MUSEUM will evaluate the ethical implications of accepting gifts and donations. Gifts from individuals, organizations, or entities involved in activities contrary to the MUSEUM's mission, or engaged in practices deemed harmful or unethical, will not be accepted. If an individual, organization or entity involves themselves in activities or practices deemed harmful, not aligned with the MUSEUM's mission or unethical after the MUSEUM accepts their gift, it will be returned to the appropriate party.

Legal Compliance: The MUSEUM will comply with all relevant laws and regulations governing charitable organizations and museums in the acceptance of gifts and donations.

Transparency and Accountability: The MUSEUM will maintain transparency in its gift acceptance practices. Donors will be informed of the MUSEUM's policies and procedures regarding gift acceptance, including the MUSEUM's right to decline gifts that do not meet its criteria.

Stewardship of Resources: The MUSEUM will steward its resources responsibly and ensure that accepted gifts are utilized effectively to further its mission and benefit its stakeholders.

Public Trust: Recognizing the importance of public trust and confidence in the MUSEUM, the institution will act with integrity and diligence in all matters related to gift acceptance.

Review and Revision: The MUSEUM will periodically review and, if necessary, revise this morality clause and its gift acceptance policy to ensure they remain relevant and effective in upholding the MUSEUM's values and ethical standards.

VI. Criteria for Committee Review and Acceptance of Gifts

The following criteria govern the MUSEUM's review and acceptance of gifts.

This document contains guidelines of the acceptance of gifts that may be given as both inter vivos (gifts made during one's lifetime) and testamentary (gifts made upon death).

This policy has been established to inform, serve, guide or otherwise assist donors who wish to support the MUSEUM. It shall never be used under any circumstances to pressure or unduly persuade donors.

A. Gifts Generally Accepted Without Review by the MUSEUM's Gift Acceptance Committee

- 1. Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line at *www.lewismuseum.org*. Checks or equivalent drafts shall be made payable to Reginald F. Lewis Museum of Maryland African American History and Culture and shall be delivered to MUSEUM's administrative offices at, 830 E. Pratt Street, Baltimore, MD 21202 USA in care of its Office Administrator. Donors wishing to make a gift by credit card must provide the card type (*e.g.*, Visa, MasterCard, American Express), card number, expiration date, CVC and name of the card holder as it appears on the credit card.
- 2. Marketable Securities.** Marketable securities may be transferred electronically to a MUSEUM account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached.

All marketable securities will be sold promptly upon receipt unless otherwise directed by MUSEUM's Investment Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the MUSEUM's Development Committee.

3. **Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.** Donors are encouraged to make bequests to the MUSEUM under their wills, and to name the MUSEUM as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.

Sample bequest language for restricted and unrestricted gifts, including endowments, will be given to donors and their lawyers upon request and made available in the MUSEUM's publications and marketing. Donors will be encouraged to consult with the MUSEUM's staff to ensure their bequest intentions can be honored. Donors will also be invited to provide information about their bequest intents, and if willing, to share an excerpt that names the MUSEUM as a beneficiary.

4. **Charitable Remainder Trusts.** The MUSEUM will accept designation as a remainder beneficiary of charitable remainder trusts. The MUSEUM will not accept appointments as trustee of a charitable remainder trust.
5. **Charitable Lead Trusts.** The MUSEUM will accept designation as an income beneficiary of charitable lead trusts. The MUSEUM will not accept appointments as trustee of a charitable lead trust.

The MUSEUM reserves the right to reject any gift under this section **VI.A.**, in accordance with sections **IV.** and **VI B.** of these policies.

B. Gifts Accepted Subject to Prior Review

The following forms of gifts or donated properties may be accepted subject to the following:

- 1) **Tangible Personal Property.** The MUSEUM's Development Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations:
 - a. Does the property further the MUSEUM's mission?
 - b. Is the property marketable?
 - c. Are there any undue restrictions as to the use, display or sale imposed on the property?
 - d. Are there any carrying costs for the property for which the MUSEUM may be responsible?
 - e. Is the title/provenance of the property clear?

- 2) **Closely-Held Securities or Interests.** Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in limited partnerships and limited liability partnerships or companies, or other investment instruments, may be accepted subject to review by the MUSEUM's Development Committee to determine that there are no market or other restrictions on the security interest that would prevent the MUSEUM from converting it to cash within a time period deemed reasonable by the Development Committee, the security would not generate any undesirable tax consequences for the MUSEUM, or that such security interest should be retained as an appropriate investment.

3) Life Insurance. The MUSEUM will accept gifts of life insurance in the following ways:

- Irrevocably assign a paid-up policy to the MUSEUM, naming the MUSEUM as owner and beneficiary
- Irrevocably assign a life insurance policy on which premiums remain to be paid, naming the MUSEUM as owner and beneficiary
- Name the MUSEUM as primary or successor beneficiary of the proceeds of a new or existing policy

When ownership is irrevocably assigned to the MUSEUM the donor is entitled to a gift receipt for the net cash surrender value, if any, and for any premiums subsequently paid.

The donor must agree to pay to the MUSEUM, before due, any future premium payments owing on the policy. The MUSEUM will acknowledge the entire amount of any such premium payments as gifts in the years that they are paid to the MUSEUM. If the donor ceases making premium payments, the MUSEUM may (a) continue making such payments on the policy, or (b) surrender the policy and collect its cash value, if any.

The MUSEUM will not undertake to secure insurance on the life of a donor, nor will it accept ownership of policies subject to a loan or in connection with a split-dollar or similar arrangement where the proceeds are to be divided between charitable and non-charitable interests.

4) Real Estate. All gifts of real estate are subject to review by the Development Committee. Prior to acceptance of any gift of real estate other than a personal

residence, The MUSEUM shall require an initial environmental review by a qualified environmental firm acceptable to the MUSEUM. In the event that the initial review reveals a potential problem, the MUSEUM may retain a qualified environmental firm to conduct an environmental audit. The cost of the environmental review and audit shall generally be an expense of the donor. The donor shall be required to provide to the MUSEUM at the donor's expense a title insurance policy (or its equivalent) satisfactory to the MUSEUM prior to acceptance of any real estate. As to a gift of a remainder interest in real estate, all carrying and maintenance costs and other property expenses are to be paid by the donor or primary beneficiary until all life estates terminate and the remainder interest fully vests in the MUSEUM.

Criteria for acceptance of gifts of real estate include:

- Is the property useful for the MUSEUM's purposes?
- Is the property readily marketable?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
- Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
- Is there a provision for indemnification by the donor in the event that environmental damage is found following acceptance of the property by the MUSEUM?

5) Charitable Gift Annuities. The MUSEUM abides by the investment and reporting requirements of those states that have statutes regulating gift annuity funds and has established the following guidelines with respect to its gift annuity program.

- a. *Minimum Gift and Funding Assets.* The minimum gift acceptable to the MUSEUM for funding a charitable gift annuity is \$10,000 (ten thousand dollars). The MUSEUM will accept cash or marketable securities to fund gift annuities. The MUSEUM will not accept real estate, tangible personal property, or any other illiquid assets in exchange for a current charitable gift annuity.
- b. *Minimum Age of Life Income Beneficiary.* The minimum age for all life income beneficiaries of an immediate payment charitable gift annuity shall be 65. For deferred payment gift annuities, the minimum age for all life income beneficiaries as of the payment starting date shall be 65. No more than two life income beneficiaries will be permitted for any charitable gift annuity, or any illiquid asset in exchange for a current charitable gift annuity.
- c. *Annuity Rates & Payments.* The maximum gift annuity rates offered by The MUSEUM for immediate payment annuities will be the Uniform Gift Annuity rates in effect at the time the gift is accepted, and for deferred payment gift annuities, the then current Uniform Compound Interest Factors, both as adopted and as revised periodically by the American Council on Gift Annuities (ACGA).

The Development Committee may make exceptions to these rates on a case-by-case basis, but such exceptions are strongly discouraged. Annuity payments may be made on a quarterly, semi-annual or annual schedule, but The MUSEUM may require a minimum annuity amount for payments on a quarterly basis. Exceptions to the minimum requirement of \$20,000 is at the discretion of the President and Director of Development, and will consider factors of previous CGAs or plans to establish additional future ones.

The annuitant may reside in any state in which the MUSEUM has complied with state regulations for issuing gift annuities.

d. *Use of Funds.* Funds contributed in exchange for a gift annuity shall be invested during the term of the annuity payments. Once those payments have terminated, the remaining funds shall become part of the MUSEUM's endowment, subject to any applicable restrictions.

6) Other Gifts. Gifts not specifically mentioned in these policies are subject to approval by the MUSEUM's Development Committee.

VII. Miscellaneous Provisions

A. Legal fees and appraisals. For all gifts made to the MUSEUM, it will be the responsibility of donors to secure and pay for (1) the services of independent legal counsel to obtain their advice and (2) an appraisal where required by federal, state or local tax regulations or requested by the MUSEUM.

B. Valuation of gifts. For development purposes the MUSEUM will record a gift received by the MUSEUM at its valuation for gift purposes on the date of the gift. With respect to any gift of assets which have no readily ascertainable market value, The MUSEUM may rely on an appraisal submitted by a qualified appraiser selected by the donor and conforming to applicable tax regulations, provided, however, that the MUSEUM may refuse to accept a gift if the Development Committee determines that the valuation submitted by the donor is unacceptable for any reason. The MUSEUM's valuation procedures will be determined by the MUSEUM's Director of Finance in accordance with applicable law and accounting standards. Notwithstanding the MUSEUM's valuations for recording gifts, donors are responsible for determining gift values for their own tax purposes.

C. Compliance with IRS Requirements. Acknowledgment of all gifts made to the MUSEUM shall be provided to donors. Such acknowledgements and compliance

with IRS acknowledgement requirements shall be the responsibility of the MUSEUM's Director of Communications and External Relations or its Director of Development.

VIII. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Board of Directors of the MUSEUM, who must approve any changes to, or deviations from, these policies.

Approved on the _____ day of _____ 2024.

Chair, Board of Directors, Reginald F. Lewis Museum of Maryland African American History and Culture