Theodore Roosevelt
Presidential Library Foundation

Gift Acceptance Policy and Procedures

Effective February 6, 2020

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Introduction

The Theodore Roosevelt Presidential Library Foundation ("Foundation") was incorporated to establish, operate, and maintain the Theodore Roosevelt Presidential Library and Museum ("Presidential Library"). The Foundation will:

- Solicit and manages funds consistent with state law, its Bylaws, Financial Policy and this policy.
- Expend funds according to the wishes of the private donors.
- Protects the confidentiality and privacy interests of its donors.

Purpose of Policies and Guidelines

The Foundation, its staff, the Board of Trustees and its representatives may solicit current and deferred gifts from individuals, corporations and others to secure current and future funding needs of the Presidential Library. These policies shall serve as guidelines for the Foundation's acceptance of gifts and provide guidance to prospective donors and their advisors when making gifts to the Foundation. The provisions of these policies shall apply to all gifts received by the Foundation for any of its programs or services. This policy is not a legal, binding contract between the Foundation and any other party. The provisions of this policy can change from time to time by an act of the Board.

While this document is intended to provide guidance to Foundation personnel regarding acceptance of the prospective gifts, donors are ultimately responsible for ensuring that the proposed gift furthers the donor's charitable, financial and estate planning goals. Therefore, each prospective donor is urged to seek the advice of independent legal counsel in the gift planning process. Foundation staff may not give legal, accounting, tax or other advice to prospective donors.

Gift Acceptance Committee

The Foundation's Gift Acceptance Committee (GAC) shall consist of:

1. Chair, Board of Trustees
2. Treasurer, Board of Trustees
3. Chief Executive Officer
4. Executive Director of Development

Gift Acceptance Process

All unrestricted gifts with a fair market value less than $1 million may be accepted by Foundation staff on behalf of the Board of Trustees.

All gifts greater than $100,000 with donor restrictions may be accepted by the Foundation staff after approval by the Gift Acceptance Committee.

All gifts greater than $5,000 should be documented with a written Donor Gift Agreement and all donor restricted gifts must be documented with a written Donor Gift Agreement.

A majority of the GAC members shall constitute a quorum for any committee meeting. Action of the committee shall require a majority of the members voting at any meeting at which a quorum is present. If a majority decision cannot be reached, the gift will be declined.

The GAC shall forwarded a proposed gift that would require actions by the Foundation (i.e., a quid pro quo gift) to the Board of Trustees for review and a final decision.

Legal Counsel

The Foundation shall seek the advice of the General Counsel in matters relating to acceptance of gifts when appropriate. Review by General Counsel is recommended for:

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Gifts involving contracts that require the Foundation to assume an obligation. (Examples: trusts, annuities, bargain sales)
3. Transactions with potential conflict of interest that may invoke IRS sanctions.
4. Gift documents naming the Foundation as a trustee
5. Other instances in which use of counsel is deemed appropriate by the GAC.

Conflict of Interest and Resort to Professional Advisors

The Foundation Board of Directors will assure that they are circumspect in all dealings with donors and donor prospects in order to avoid even the appearance of any act of self-dealing. The Foundation will encourage 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.

Restrictions of Gifts

The Foundation may accept unrestricted, temporarily restricted, and permanently restricted (endowed) gifts. The Foundation may choose to not accept gifts that are too restrictive in purpose, gifts that are too difficult or deemed too expensive to administer, or gifts that are for purposes outside the Foundation’s stated mission. The Gift Acceptance Committee shall make recommendations to the Board of Trustees on the acceptance or refusal of a restriction on a gift.

- **Establishment of Named Permanently Restricted Gift (Endowed)**

  In order to establish a restricted named endowed fund, the initial contribution must be at least $100,000. If the gift is less than $100,000 and the donor desires to grow the fund to endowed status, the donor must sign a pledge commitment form to build the fund to this level within four -year period or the gift will be spent for its restricted purpose.

- **Establishment of Temporarily Restricted and Unrestricted Gifts**
  Temporarily Restricted funds will be accepted and held until needed for the intended purpose.

- All earnings from these funds will be used for operational purposes.

Categories of Gifts

Gifts are classified into three categories, based on the level of risk associated with acceptance:

Gifts that require GAC approval:

- Outright gifts of real property
- Gifts of real property when bequest is realized
- Gifts of Real Estate with retained life interest
- Interests in Business Entities
- Gifts-in-kind with a Fair Market Value exceeding $25,000
- Conditional pledges with a value exceeding $50,000
- All gifts of real or tangible personal property subject to donor restrictions regarding the disposal of such property
- All gifts of unusual items or gifts of questionable value

Gifts that require the CEO and Executive Director for Development approval:

- Non-publicly traded securities
- Notification of the intent to gift real property through a bequest
- Charitable gift annuities
- Charitable remainder trusts
- Charitable lead trusts
- Gifts of life insurance
- Conditional pledges with a value equal to or greater than $25,000 and less than $50,000
- Gifts of personal property with a Fair Market Value equal to or greater than $25,000
- Gifts-in-kind with a Fair Market Value that exceeds $25,000

Pledges

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. This schedule may not exceed ten years for any one gift, unless approved in advance by the CEO or CFO. Annual Fund pledges are usually for amounts less than $1,000 and for periods less than one year. All pledges other than Annual Fund are required to be in writing.

The following minimum information must exist to substantiate a pledge:

- The amount of the pledge must be clearly specified.
- There must be a clearly defined payment schedule.
- The donor may not proscribe contingencies or conditions.

- The evidence of the pledge should include words such as “promise”, “agree”, “will”, and/or “intend”.
- The donor must be considered to be financially capable of making the gift.
- The donor will sign the Pledge Commitment Form.

Pledges that do not contain this minimum information must have prior approval by the GAC.

Binding pledge agreements to meet the requirements of Senate Bill 2001 (2019) are not governed by this policy.

<u>Types of Acceptable Gifts and Criteria Governance</u>

- **Cash.** Cash gifts are recognized at full face value and are recorded on the donor’s personal gift history for the same amount. Checks should be made payable to the Theodore Roosevelt Presidential Library Foundation.

- **Tangible Personal Property.** The CEO and Executive Director for Development , in light of the following criteria, shall examine all gifts of tangible personal property:
  1. Does the property fulfill the Foundation’s mission?
  2. Is the property marketable?
  3. Are there any undue restrictions on the use, display or sale of property?
  4. Are there any carrying costs for the property?

  Valuation of tangible personal property gifts is to be provided by an independent appraiser selected and paid for by the donor. The appraised value will be used for purposes of the donor’s personal gift history.

- **Gifts-in-Kind.** Gifts-in-kind are a form of personal property that will be retained and used by the Foundation. It is imperative that the property be used to complement the core mission of the Foundation. The use and need of the property should be clearly documented and approved by the CEO.

  Gifts-in-kind shall be valued at their full market value. Gifts with fair market values exceeding $5,000 will be reported at the values placed on them by qualified independent appraisers as required by the IRS for valuing noncash charitable contributions. Gifts of $5,000 and under may be reported at either the value declared by the donor or the value placed on them by a qualified expert selected by the Foundation. If a value as specified above is not placed on a gift of personal property, the value shall be recorded at $1.

  Title to the gift property should be clear, unencumbered, and properly documented. Careful consideration should be given to maintenance, storage, and transportation costs of all gifts-in-kind.

Gifts-in-kind with a fair market value equal to or greater than $10,000 shall be reviewed by the GAC at the meeting following the receipt of the gift.

The title of all gifts-in-kind shall be transferred to the Foundation.

Employee Charitable Contributions

The Foundation encourages staff of the Presidential Library to participate in annual and special campaigns on behalf of the institution by contributing tax deductible gifts, but staff are not required to participate in such campaigns. The Foundation wants to allow employees flexibility in designating their gifts. However, to preserve the tax deductibility of their charitable contribution, the IRS requires that certain guidelines be met. The Foundation can accept designated gifts from staff only in circumstances in which there is no personal benefit to them from the disbursement of these funds.

- **Publicly Traded Securities.** Publicly Traded Securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. All marketable securities should be sold within a prudent time frame and reinvested as defined by the Foundation's policies.

  Valuation of the gift for the donor's personal gift history is the daily average value of the securities when the transfer was made to the Foundation.

- **Closely Held Securities.** Closely Held Securities, which include not only debt and equity positions in non-publicly traded companies but also interest in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to approval. However, gifts must be reviewed (internally or externally) prior to acceptance to determine:

  1. If the security is restricted.
  2. If the security is marketable.
  3. If the security will generate undesirable tax consequences for the Foundation.
  4. If the security will create any liability for the Foundation.

  Valuation of the gift for purposes of the donor's personal gift history will be the responsibility of the donor.

- **Real Estate.** Real estate gifts may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, an initial environmental review of the property to ensure that the property has no environmental hazard may be required. In the event the initial inspection reveals a potential problem, the Foundation may retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be a donor expense.

The Foundation may also require a physical and structural inspection of the property to ensure the property's short and long-term viability. The donor shall generally pay the cost for these services.

When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real estate gift. The cost of the title binder shall generally be a donor expense.

Prior to the acceptance of the real property, the following criteria should be considered:

1. Is the property useful for Foundation purposes?
2. Is the property marketable?
3. Are there any restrictions, reservations, easements, or other limitations associated with the property?
4. Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc. associated with the property?
5. Does the environmental audit reflect that the property is not a hazard?
6. Does the physical and structural inspection reflect positively on the property?

Valuation of real estate property gifts is to be provided by an independent appraiser selected and paid for by the donor. The appraised value, less outstanding debt and taxes assumed by the Foundation, will be used for purposes of donor's personal gift history.

- **Remainder Interests in Property.** The Foundation may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions outlined under the Real Estate information listed above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, the donor or primary beneficiary generally pays expenses for maintenance, real estate taxes, and any property indebtedness.

  Valuation of remainder interest gifts is to be provided by an independent appraiser selected and paid for by the donor. The appraised value will be used for purposes of the donor's personal gift history.

  The Foundation will not ordinarily serve as sole trustee or co-trustee of a charitable lead trust.

  The trust term may be at the discretion of the donor.

- **Oil, Gas and Mineral Interests.** The Foundation may accept oil, gas and mineral property interests when appropriate. Prior to acceptance of oil, gas and mineral interest gifts, the following criteria should be reviewed:
    1. The potential amount of the gift versus expenses to receive the gift and ongoing administrative costs.
    2. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
    3. A working interest generally should be accepted only when there is a plan to minimize potential liability.
    4. The risk of environmental hazard must be considered to ensure that the Foundation has no current or potential exposure to environmental liability.

  Valuation of oil, gas and mineral property gifts is generally provided by an independent appraiser selected and paid for by the donor. The appraised value will be used for purposes of the donor's personal gift history.

  Gifts of Art

  Accessioning Gifts of Art

  In accessioning a gift of art, the board will consider the object's importance to the Presidential Library, its state of preservation, and the likelihood that it will be exhibited or used for purposes consistent with mission. Upon approval a professional appraisal which conforms with IRS regulations, undertaken by the donor, must be submitted to the Development Office to determine Fair Market Value. Additionally, any known provenance, historical, or biographical information should be submitted to the Development Office. Gifts given through estates are subject to the same accession policy as gifts of art given during the donor's lifetime.

  Deaccessioning Gifts of Art

  The decision to deaccession gifts of art will be made by the Board. Art that has been held for use for at least three years may be deaccessioned. Should a donor wish to donate a work of art with a proviso that it be deaccessioned prior to three years of use, the donor will be informed that the gift will be ineligible as a charitable contribution and must agree in writing that the gift may be sold prior to that time. In determining whether or not to deaccession, the Board will consider the object's importance to the Presidential Library's mission, its relevance to the collection, the likelihood that it will be exhibited or used for library purposes in the future, and legal and conservation issues.

- **Bargain Sales.** The Foundation may enter into a bargain sale arrangement in instances in which the bargain sale furthers its mission and purpose. Factors for acceptance of the gift should include:
    1. Will the Foundation use or sell the property?
    2. Results of the environmental review?

3. Results of the physical and structural inspection of the property?
4. The ratio of debt to equity, if a mortgage is assumed?
5. The ability to cash flow the debt, if a mortgage is assumed?
6. The ability to cash flow the carrying costs of the property including taxes, insurance and maintenance of the property?

Valuation of bargain sale gifts is to be provided by an independent appraiser selected and paid for by the donor. The appraised value will be used for purposes of the donor's personal gift history.

- **Life Insurance.** The Foundation will accept any gift of a life insurance policy provided that it is under no prearranged obligation to expend its assets to maintain the policy. No portion of the proceeds may be paid to anyone or any organization that is not qualified as a tax-exempt entity under IRS Code Section 501 (C) (3).

  The Foundation has the unrestricted right to fully exercise its powers as the owner, including the power to surrender, select payment options, designate beneficiaries and withdraw or borrow cash values.

  In the event a policy is contributed, on which premiums remain to be paid, the donor must pledge to continue paying premiums or give the Foundation permission to surrender the policy for cash value.

  The Foundation will not participate in split dollar or reverse split dollar plans, or other partial interest programs. Any charitable insurance program, such as those promoted by the life insurance industry, or individual insurance agent(s), shall be entered into only after a thorough explanation has been provided to the Board and the Board has voted to proceed with the program

  The Foundation will accept deferred gifts of life insurance. Deferred gifts of life insurance will be counted toward the financial goals of the Foundation provided the Foundation is named as the irrevocable beneficiary and owner of the policy.

  Life insurance is valued at the cash surrender value at the time of the gift. Additional premium payments are considered gifts when received by the Foundation.

  The Foundation should have an agreement regarding the pledge of payments to maintain the policy in addition to the Foundation's permission to surrender the policy for cash value if the need should arise.

  Under extraordinary circumstances the Foundation may choose to provide for a payment of premium or premiums for the policy.

Charitable Gift Annuities. A charitable gift annuity is a contract between the Foundation and the donor. The Foundation agrees to pay the donor or person named by the donor a lifetime annuity in return for a gift of cash, securities, or other property. The payment may continue for the life of a second individual, such as a spouse or for a term of years (not to exceed 20 years).

The preliminary minimum amount for an annuity agreement is $25,000.00. Smaller amounts may be considered starting at $10,000 with a term of years limitations attached.

For new contracts the Foundation will be guided, although not bound, by the suggested payout rates recommended by the American Council of Gift Annuities.

Agreements shall be limited to one or two lives, and ordinarily the minimum age for the annuitants shall be 65 for immediate payment annuities and 50 for deferred payment annuities. In the case of deferred payment charitable gift annuities, the donor(s) shall be age 65 before the annual income payments may commence. Exceptions may be made subject to the prior approval of the Board.

Gift annuities may be managed by the Foundation and/or the Foundation may employ agents and advisors to assist with the administration and investment of gift annuity assets.

Gift annuities must meet the North Dakota state laws governing gift annuities.

The Foundation prefers to provide annual payments to gift annuity donors.

The Foundation generally should not accept real estate, tangible personal property, or other illiquid assets in exchange for current charitable gift annuities. If real property is contributed in exchange for a gift annuity, and the property does not produce income or the income produced is insufficient, consider whether the Foundation wants to contribute resources to pay the income stream in the period before the property is sold.

Valuation of charitable gift annuities for purposes of donor’s personal gift history will be the face value of the gift.

- **Deferred Charitable Gift Annuities.** The same guidelines as for charitable gift annuities should be taken into consideration.

- **Pooled Income Funds.** The pooled income fund distributes net income to the donors who hold units. The Foundation will give careful consideration before accepting real estate into a pooled income fund. Real estate is generally non-income producing and may incur expenses (charged to income) prior to the sale and is likely to reduce the income stream for all participants.

- **Charitable Remainder Trusts.** The charitable reminder trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named beneficiary (ies) either for life or a term of years (not exceeding twenty), when the remaining trust assets are distributed to one or more charities.

  When the Foundation is named as trustee or co-trustee, the minimum amount for funding a charitable remainder trust will be at least $100,000, but the Board may fund a trust with a smaller amount subject to prior approval. If the donor selects an external trustee, the minimum will be whatever amount is acceptable to that trustee.

  When the Foundation is named as trustee or co-trustee, the Foundation will provide full disclosure to the donor on the investment portfolio as required by law.

  The Foundation requires that beneficiaries must be age appropriate unless the trust is for a term of years.

  The Foundation ordinarily limits the number of beneficiaries to two where payments are to be made for the life of the beneficiaries.

  Ordinarily the Foundation will not accept responsibility as a trustee, unless the Board has given specific approval, of a charitable remainder trust instrument that is or will be funded with the following assets (not an inclusive list):
  - Encumbered real estate
  - Margined securities
  - Sole proprietorships
  - Limited partnerships
  - Working interests in oil and gas fields
  - General partnership interests.

- **The Charitable Lead Trust.** A charitable lead trust is a trust in which the income, or "lead" interest, is paid to the Foundation, and the "remainder" interest is given to one or more non-charitable beneficiaries, who could be either the donor or family members.

  The Foundation will not serve as trustee of charitable remainder trusts unless it is in the best interest of the donor and the Foundation or when it is impractical to name another trustee. Agreement to act as trustee shall be subject to prior approval of the Board in consultation with the donor's legal counsel. The Foundation is authorized to arrange for a trust institution to manage charitable remainder trusts where the donor is the remainderman.

  The Foundation will not ordinarily serve as sole trustee for charitable lead trusts or will not serve as trustee for irrevocable life insurance trusts.

- **Other Charitable Gifts.** The acceptance of other and unique charitable gifts not listed above will be considered on a case-by case basis by the Gift Acceptance Committee.

Establishment and Management of Endowed Gifts

A gift or bequest may specify that the funds are either expendable or restricted for endowment. In addition, expendable or endowed gifts may be designated for a certain purpose. Named endowment funds are usually pooled for investment with Foundation's general endowment funds. Individual funds are credited with their prorated share of the earnings at the annual rate as determined by the Investment Committee of the Board of Trustees, which also approves the annual spending rate.

The establishment of a named endowment fund requires a gift with a minimum endowed amount of $50,000 to offset the administrative and financial management expense. The Chief Executive Officer may authorize the establishment of names endowed accounts at lesser amounts on a case by case basis.

Bequests

The Foundation encourages Foundation friends to make bequests in their wills and trusts. Such bequests will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time. Foundation friends who notify the Foundation of their plans will be recognized with no gift value stated regardless if the gift is revocable or irrevocable. Unrestricted bequests that are received by the Foundation will be deposited in the Board Reserve Fund unless otherwise noted or specified. These funds will generate revenue for the Foundation and provide an operating reserve.

- **Individual Retirement Beneficiary Designation**
  The Foundation encourages friends to name the Foundation as beneficiary or contingent beneficiary of their individual retirement funds. Friends who notify the Foundation of their plans will be recognize with no gift value stated.

Legal Fees and Professional Fees

Legal fees for completion of the gift are usually the responsibility of the donor; however, the Foundation may take on this responsibility.

Valuation of Gifts on the Foundation Books

The valuation of the gift for tax purposes should be done in consultation with the donor's personal tax advisor. The valuation of the gift for Foundation gift credit purposes shall be determined by the Foundation.

Appraisals

It will be the donor's responsibility to secure an appraisal where required and should seek independent legal counsel for all gifts made to the Foundation. The Foundation may request an independent appraisal, which will be paid by the Foundation.

Filing of IRS Forms on Sale

The Foundation shall file all required forms.

Gift Fees and Expenses

The Foundation respects the preferences of its donors with regard to gift restrictions and we believe in full transparency concerning any fees or expenses associated with charitable gifts. Gift fees offer a flexible way to help offset costs associated with the budget of the Foundation. Donors of restricted or endowed gifts of $5,000 or more may elect to opt in to a nominal 2% gift fee out of their gift amount that will support Foundation operations.

When a gift is made supporting a fundraising event that offsets catering or production costs a receipt for a charitable deduction will be issued that reflects the deductible portion of the gift only in exchange for which no goods or services were received by the donor.

Acknowledgement of Gifts

The Foundation will acknowledge the gift in writing within 72 hours of receipt.

Changes to Policy

Except as otherwise stated within these written policies, the GAC must approve any exceptions to policy provisions. The GAC shall periodically (but no less frequently than every five years) review these policies to ensure that they continue to accurately describe the policies of the Foundation with respect to acceptance of charitable gift. The GAC shall propose to the Board for adoption those revisions that the GAC shall determine to be necessary or appropriate in order to accurately reflect the policies of the Foundation. Any changes in these written policies require approval of the Board.

Notes:

The Board of Trustees adopted this policy on February 6, 2020, during the board meeting in Washington, DC.

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