



## **GIFT ACCEPTANCE POLICY**

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### **1.0 Purpose of Policy**

This policy addresses all gifts and contributions received by the Lone Star Symphonic Band (the Band) for use in any of its programs or services that help further and fulfill the established mission:

*The Lone Star Symphonic Band offers the community quality performances of differing musical styles, balancing audience appeal with challenging literature for its members. We encourage lifelong opportunities and growth for skilled musicians of all ages. The Band is committed to providing a valuable contribution to the American Musical Experience.*

### **2.0 General Standards**

The Band relies on charitable contributions to fulfill its mission. Acceptance of any contribution, gift, or grant is at the discretion of the Lone Star Symphonic Band. The Band will not accept any gift unless it can be used or expended consistently with the purpose and mission of the organization. The Band reserves the right to refuse any gift that it believes is too restrictive in purpose or not in its best interests.

The Band will not assume any indebtedness in connection with a gift. Exceptions must be approved on a case by case basis by the Board of Directors.

Any associated expenses with the conveyance of a gift to the Band are to be borne by the donor.

### **3.0 Use of Legal Counsel**

The Band shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. The Band recommends that all donors seek guidance from their own professional advisors to assist them in making their gift prior to the gift date.

### **4.0 Conflict of Interest**

Representatives of the Band shall exercise caution to avoid pressure, persuasion, or undue influence when informing, counseling, or assisting a donor regarding gift planning concerns. The Band, nor any, officer, director, or staff member shall take on the role of trustee of any planned gift vehicle to avoid any actual or perceived conflict of interest as the representative of the Band receiving the charitable contribution.

### **5.0 Restrictions on Gifts**

Contributions to the Band may be left unrestricted, in which case they will be available for meeting the Band's highest priorities as determined by the Board of Directors. Any donor restrictions on gifts shall be communicated in writing prior to the acceptance of the gift. All restrictions and areas of need shall be identified and determined by the Board of Directors. Restriction categories are subject to change based on current program needs of the organization. Contributions not meeting any of the defined giving areas will not be accepted.



## **GIFT ACCEPTANCE POLICY (continued)**

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### **6.0 Types of Gifts**

#### **6.1 Cash**

The Band will accept gifts of cash (cash, check, money order, credit card, or other equivalent) to support the mission of the organization. All checks and money orders shall be made payable to the Lone Star Symphonic Band, or LSSB, and shall be considered unrestricted contributions unless otherwise specifically stated.

#### **6.2 Furniture & Equipment**

The Band will only accept gifts of furniture and equipment that will be used by the Band for current and ongoing operations. Acceptable use of the gift will be determined by the Board President. Items unable to be used by the Band will not be accepted.

#### **6.3 Securities**

The Band will accept publicly traded and closely held securities. These may include but are not limited to stocks, mutual funds, municipal and corporate bonds, treasury bills and notes. The Band and its advisors will verify the ownership of the security, handle the transfer of ownership, and establish a value for deferred gift calculation purposes, as well as handle the sale, liquidation and/or investment processes related to such securities. All gifts of securities will be reviewed by the Finance Committee and shall be sold and liquidated immediately upon receipt or as soon as practically possible.

##### **6.3.1 Publicly Traded Securities**

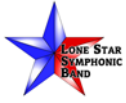
Publicly traded securities are readily traded on national or regional stock exchanges. The value of the gift is the average of the high and low prices on the day it was transferred.

##### **6.3.2 Closely Held Securities**

All proposed donations of closely held securities will be considered by the Finance Committee on a case by case basis. The Committee shall consider:

1. Estimated fair value
2. Any restrictions on time limits on the right to sell
3. Potential liability from ownership
4. Potential tax or unrelated business income
5. Potential problems from affiliation with the business or issuer of the security

Closely held securities will only be accepted after appraisal and dated not earlier than 60 days before the proposed date of gift. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of securities.



## **GIFT ACCEPTANCE POLICY (continued)**

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### **6.4 Real Estate**

Real estate gifts can include personal residences, rental properties, office buildings, land, and other structures. As real estate can be highly illiquid, costly to maintain, and have pre-existing conditions attached to it, any gifts of real estate will be carefully scrutinized and the decision to accept or decline the gift will be made by the Board of Directors on a case by case basis.

The property shall be physically inspected by a representative of the Band along with a property management consultant. The inspection is to identify any environmental, financial, legal, marketing, or public relations risks, hazards, or liabilities. If deemed necessary by the consultant, an environmental survey may be recommended before a gift can be accepted. The cost of the survey shall be borne by the donor. Upon review of the survey, the consultant shall recommend acceptance or declination of the gift.

Unless otherwise negotiated, gifts of property will be converted into cash at the earliest opportunity keeping in mind current market conditions and the use of property in the accomplishments of the mission of the Band.

Gifts will not be accepted that may expose the Band to material or personal liabilities as owners of the property.

If the property is encumbered by indebtedness, the donor will be requested to provide for the payment of carrying costs until the property is liquidated.

### **6.5 Personal Property**

Potential contributions include, art, antiques, jewelry, automobiles, etc. The Band, or professional advisors, when appropriate, will review the marketability, accuracy of appraisal and capabilities of the Band to guard these assets until liquidation. Efforts must be made to obtain a bona fide appraisal or documentation of fair market value before the gift can be accepted. The costs of any appraisal shall be borne by the donor prior to acceptance of the gift.

### **6.6 Life Insurance**

The Band will only accept gifts of “Whole” or “Universal” life insurance if there is a cash value associated with the policy. The donor will receive a tax deduction for the replacement cost of the paid-up policy at the time of the donation, not for the face value of the life insurance.



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## **GIFT ACCEPTANCE POLICY (continued)**

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### **6.6 Life Insurance (continued)**

If the policy requires continuing premium payments, the donor can continue to paying those premiums and receive a tax deduction for each payment if done in the following manner:

1. Donor gifts the policy to the Band, who becomes owner of the policy
2. Donor makes annual donations in the amount of the annual premium costs to the Band, who pays the policy
3. Donor receives a tax deduction for every contribution for the premium payment

Donors may also purchase a new policy, naming the Band as the beneficiary. The premiums and tax benefits would work exactly as listed above.

### **6.7 Airline Tickets or Air Miles**

The Band will accept gifts of tickets or air miles for travel to be used by staff or Board members to attend conferences or meetings as approved by the Board of Directors.

### **7.0 Gift Recognition**

The Band will provide acknowledgments to donors meeting IRS substantiation requirements for property received as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by the Band. Donor letters will be sent out quarterly for all contributions signed by the President and Treasurer.

All contributions made to the Band during the calendar year will be recognized in the Band's concert programs, website, and annual report.

The Band will respect the intent of the donor relating to gifts for restricted purposes and those relating to the desire to remain anonymous. With respect to anonymous gifts, the Band will restrict information about the donor to only those Board and staff members with a need to know.