



OREGON MUSEUM OF SCIENCE AND INDUSTRY

GIFT ACCEPTANCE POLICIES FOR CURRENT AND PLANNED GIFTS

Introduction

Oregon Museum of Science and Industry (“OMSI”) is a nonprofit public benefit corporation organized under the laws of the State of Oregon and recognized as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The mission of OMSI is to serve as a scientific, educational, and cultural resource center dedicated to improving the public's understanding of science and technology. OMSI makes science exciting and relevant through exhibits, programs, and experiences that are presented in an entertaining and participatory fashion. OMSI encourages and accepts gifts for purposes that will help further its mission.

The purpose of the policies and guidelines set forth below (the “Policy”) is to govern the acceptance of gifts and to provide guidance to prospective donors and their advisors when they are contemplating making gifts to OMSI. The Policy will apply to current and planned gifts offered to OMSI to support any of its programs or services.

Policies and Guidelines

I. ADMINISTRATION

The Gift Acceptance Committee (the “Committee”) shall consist of the following officers of OMSI: The President, the Vice President of Development, and the Vice President of Finance.

The Committee is charged with reviewing and accepting inter vivos gifts and estate gifts on behalf of OMSI in accordance with this Policy. OMSI reserves the right to refuse or return gifts containing restrictions that are inconsistent with OMSI’s purpose or that otherwise may be deemed inappropriate by OMSI. No less frequently than quarter-annually, the Committee shall report to the Executive Committee of OMSI’s Board of Trustees (“Board”) regarding gifts that have been accepted by OMSI.

Subject to the authority of the Board, and except as expressly provided in this Policy, the Committee shall act on behalf of OMSI in administering this Policy.

II. APPRAISALS; INDEPENDENT ADVISORS

It is generally the donor's responsibility to determine whether it is necessary to obtain an appraisal of a proposed gift and, if so, to secure such appraisal. It is also the donor's responsibility to secure independent legal, tax, financial and estate advice for all gifts to OMSI. OMSI will not act as advisor to any donor in any of these respects, though OMSI will work with a donor's advisors to structure and facilitate gifts.

III. RESTRICTIONS ON GIFTS; ENDOWMENTS

OMSI may accept gifts with restrictions in accordance with this Policy. Where the gift is an item that may be appropriate for display by OMSI in its museum, it must be reviewed by the relevant Vice President of OMSI, and approved by the Committee in accordance with OMSI's Collections Management Policy. All final decisions on the restrictive nature of a gift and its acceptance or refusal shall be made by OMSI.

All restricted gifts, including restricted gifts in the form of endowment funds, must be governed by a written agreement executed by the donor and OMSI. The minimum amount necessary to establish a named endowment fund is \$50,000. There is no minimum amount necessary to contribute to an existing endowment fund. Named endowed funds will be accounted for as separate funds on OMSI's financial record but may be managed in a pooled fund by OMSI.

Endowments may be funded with outright contributions, including contributions pledged over a maximum period of 5 years, which term may be extended by agreement between the donor and OMSI, after approval by the Finance Committee. Endowments may also be funded with deferred contributions from bequests, life insurance policies, retirement account designations, charitable remainder trusts, charitable gift annuities and similar instruments and arrangements.

Unless otherwise agreed by the donor and OMSI, endowment contributions will not be expended until total contributions to the endowed fund reach the required minimum for an endowed fund.

Endowments created by testamentary transfer shall be administered in accordance with the donor's wishes as set forth in the relevant testamentary document, provided that the donor clearly establishes an endowment and the intended use is not prohibited by law or OMSI policy and is otherwise acceptable to OMSI.

Endowment principal sums will be pooled and invested, and the income expended, in accordance with the prevailing investment and spending policies of OMSI and applicable laws and regulations.

IV. GIFT ACCEPTANCE

A. Gifts may be made to OMSI by lifetime transfers, pledges and bequests. A donor may pledge an amount for a specific purpose or designation to be satisfied with periodic scheduled payments acceptable to OMSI over a period not to exceed 5 years, absent special circumstances approved by the Finance Committee. Donors are encouraged to make bequests to OMSI under their wills and trusts. Such bequests will be recorded as gifts, at their present value, when the gift becomes irrevocable. Subject to such rules and procedures as the Board or the Committee may from time to time adopt, decisions as to naming rights in relation to gifts shall be determined at the discretion of the Committee.

B. The following forms of gifts may be accepted by the Committee in accordance with the Policy:

- Cash
- Tangible Personal Property valued at less than \$25,000
- Publicly Traded Securities
- Retirement Account Beneficiary Designations

CASH - Cash is acceptable in any form, provided that the Committee shall maintain procedures to assure that OMSI complies with reporting and other legal requirements related to the receipt of cash, including without limitation receipts of cash in excess of \$10,000. Checks should be made payable to “Oregon Museum of Science and Industry” or “OMSI.” Credit card payments and funds transfers (including wire and ACH transfers) are also acceptable.

TANGIBLE PERSONAL PROPERTY - Tangible personal property valued at less than \$25,000 may be accepted by the Committee as long as the property fulfills the mission of OMSI or can readily be liquidated to produce cash. Gifts of tangible personal property valued at more than \$25,000 may be accepted by approval of the Committee and the Finance Committee of the Board. Gifts of display items that fulfill the mission of OMSI will be considered according to the Collections Management Policy. OMSI will consider the following criteria when deciding whether to accept a gift of other tangible personal property:

- Is the property marketable?
- Are there any undue restrictions on or risks associated with the ownership, sale, use or display of the property?
- Are there any carrying costs for the property?

PUBLICLY TRADED SECURITIES - OMSI may accept gifts of publicly traded securities. As a general rule, all securities will be sold upon receipt unless otherwise decided by OMSI. Where otherwise marketable securities are restricted by applicable law, final determination of the acceptability of a gift of such securities shall rest with OMSI.

RETIREMENT ACCOUNT BENEFICIARY DESIGNATIONS - Donors are encouraged to name OMSI as beneficiary of their retirement accounts. Such designations will be recorded as gifts, at their present value, when the gift becomes irrevocable.

C. The following forms of gifts may be accepted upon recommendation of the Committee with the approval of the Finance Committee:

- Real Estate
- Remainder Interests in Real Property
- Bargain Sales
- Life Insurance
- Charitable Gift Annuities
- Charitable Remainder Trusts
- Charitable Lead Trusts

REAL ESTATE - OMSI may accept gifts of developed or undeveloped real estate. In deciding whether to accept such property, OMSI will consider whether the property is useful for the purposes of OMSI, whether it is marketable, and whether the donor agrees that the property can be sold at OMSI's discretion. In addition, prior to any acceptance of real property, OMSI must obtain the following:

- A visual environmental site inspection by an approved representative of OMSI, which must result in at least a satisfactory evaluation;
- For non-residential real estate, a Phase 1 Environmental Audit;
- A qualified appraisal;
- A title search, recent tax statements, and a tax map;
- Information about any mortgage or encumbrance on the property; and
- Information about any carrying costs (including maintenance, insurance, condo or coop fees).

REMAINDER INTERESTS IN REAL PROPERTY - OMSI may accept a remainder interest in real property, subject to the requirements for accepting real estate. 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 or stated life, OMSI may use the real property or reduce it to cash. Where OMSI 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 beneficiary prior to transfer to OMSI. A remainder interest in real property may be accepted only upon the approval of the Executive Committee (in addition to approval by the Committee and the Finance Committee of the Board).

BARGAIN SALES – OMSI may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of OMSI. All bargain sales must be reviewed and approved by the Executive Committee (in addition to approval by the Committee and the Finance Committee of the Board). Factors used in determining the appropriateness of the transaction include:

- OMSI must obtain an independent appraisal substantiating the value of the property.
- If OMSI assumes debt with respect to the property, the debt must be less than 50% of the appraised market value.

- OMSI must determine it will use the property, or that there is a market for the property allowing sale within 12 months of receipt.
- OMSI must calculate the costs to hold, safeguard, insure, and use or operate the property (including property tax, if applicable) during the holding period.
- In the case of real property, OMSI and the donor must also observe the additional considerations described and listed under “Real Estate” above.

CLOSELY HELD SECURITIES – Closely held securities, including debt and equity interests in non-publicly traded companies as well as interests in LLPs, LLCs or other ownership forms, may be accepted upon approval of the Committee and the Finance Committee of the Board. Every effort will be made to sell closely held securities as soon as possible, unless otherwise decided by OMSI. OMSI will consider the following non-exclusive list of factors in deciding whether or not to accept (and when to sell) such a gift:

- Legal and/or contractual restrictions on resale and company policy on resale (e.g., window periods);
- Expectations for marketability;
- Tax consequences for OMSI that would arise from acceptance of the gift; and
- The nature of the company’s business, including reputational matters.

LIFE INSURANCE – OMSI may accept gifts of an ownership interest in new and existing life insurance policies only upon approval of the Committee and the Finance Committee of the Board. Generally, OMSI will accept only life insurance policies that are “paid up.” In limited circumstances, OMSI may accept policies where the donor agrees to make premium payments. If the donor of a whole life policy contributes future premium payments, OMSI 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 continue to make gifts to cover premium payments, OMSI may, at its discretion, continue to pay the premiums, convert the policy to paid up insurance, or surrender the policy for its current cash value. At all times, OMSI reserves the right to cash in any insurance policy or retain it as an investment, at its option.

CHARITABLE GIFT ANNUITIES - OMSI may offer charitable gift annuities. In general, OMSI will follow the rates recommended by the American Council on Gift Annuities (ACGA). The minimum gift for funding is \$25,000, although exceptions may be made with the approval of the Finance Committee. Property other than cash or publicly traded securities used to fund a gift annuity must be accepted in accordance with this Policy. Gifts and proceeds thereof will be invested during the term of the annuity payments, and thereafter the remaining principal will be transferred to OMSI’s general endowment or to the specific fund designated by the donor in connection with the gift.

CHARITABLE REMAINDER TRUSTS - OMSI may accept designation as remainder beneficiary of a charitable remainder trust. OMSI may serve as the trustee of a Charitable Remainder Trust only upon approval of the Executive Committee. Such approval may be granted only if the value of the trust upon funding is greater than \$1,000,000, and only if OMSI is named as an irrevocable beneficiary of at least 50 percent of the charitable remainder trust.

CHARITABLE LEAD TRUSTS - OMSI may accept designation as income beneficiary of a charitable lead trust. OMSI will not serve as a trustee of a charitable lead trust.

V. DONOR-ADVISED FUNDS AND PRIVATE FOUNDATIONS

OMSI may accept gifts from donor-advised funds (each a “DAF”) and private foundations. However, where benefits (including membership) are provided in return for a contribution from a DAF or private foundation and the donor does not waive the benefits, OMSI cannot sign an acknowledgement representing that no goods or services were provided in return for the contribution, even if the individual pays separately for the non-deductible portions. In such circumstances, OMSI will issue a receipt stating that goods or services, as the case may be, were received and indicating both the tax-deductible and non-deductible portion of the gift. Similarly, OMSI will not accept contributions from a DAF or private foundation to satisfy an individual’s legally-binding pledge obligation to OMSI.

VI. RECEIPTS AND FILINGS

All charitable gifts to OMSI will be recorded in OMSI records by name of donor and include gift date, gift purpose, and value. Acknowledgements are sent to donors by the Development Department and receipts will be issued to donors for gifts that qualify for income tax charitable deductions as allowed by the Internal Revenue Service. Receipts for gifts that provide goods and services will include a description of such goods and services and list both the deductible and non-deductible portions of the gift. No receipts will be issued for gifts that, while greatly appreciated, do not qualify for income tax charitable deductions, such as legal or other professional services donated to OMSI, loans of property to OMSI, free advertising, or discounts on rents or purchases.

OMSI will be responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by OMSI where the value of the item was \$5,000 or more. OMSI must file this form within the required period (currently 125 days) of the date of sale or disposition of the asset.

VII. DONOR CONFIDENTIALITY

Information learned by OMSI volunteers or staff about a donor or donor’s assets or philanthropic intent shall be held in strict confidence. A donor’s intent with respect to a prospective gift shall be a top priority. OMSI volunteers and staff shall seek to align the interests of OMSI with the philanthropic and financial goals of the donor. OMSI volunteers and staff will comply with the Model Standards of Practice for the Charitable Gift Planner issued by the Partnership for Philanthropic Planning.

VIII. INTERPRETATIONS AND AMENDMENTS

This Policy may be amended only by action of the OMSI Board.