

## **Historical Society of Frederick County Gift Acceptance Policy**

The Historical Society of Frederick County is a charitable institution organized under IRS Code section 501(c)(3). It is dedicated to increasing public understanding and appreciation of the history of Frederick County, Maryland and collects and preserves artifacts and documents related to Frederick County, Maryland for study and education. The Historical Society accepts charitable donations in support of its mission from individuals, corporations, business entities, trusts and associations. The document identifies the terms and conditions upon which the Historical Society shall accept such gifts and serves as a guideline for staff involved with accepting gifts, outside advisors who assist in the gift planning process, and donors wishing to make gifts to the Historical Society. This document is not applicable to the acceptance of gifts and donations of historical collections; separate policies govern these activities.

### **I. GIFT ACCEPTANCE**

The Historical Society of Frederick County may accept or decline any gift or pledge, based upon the best interest of the organization. While this document identifies specific types of gifts that may be accepted by the Historical Society, other types may be accepted when considered to be in the best interest of the organization by the Board of Directors.

### **II. USE OF GIFTS AND DONOR INTENT**

Unless subject to an agreement between the Historical Society of Frederick County and the donor to use the gift for a specific purpose, all gifts are received unconditionally and may be used for such purposes as the organization determines to be most appropriate. If a conditional gift is accepted, the Historical Society obligates itself to use the gift in accordance with the donor's intent. The Historical Society may elect to decline a gift if the donor's intent is not in accordance with or beyond the scope of its mission.

### **III. GIFT PROCESSING AND ACKNOWLEDGEMENT**

The Historical Society of Frederick County recognizes that accurately processing a gift in a timely manner is important to both the donor and the Historical Society. Therefore, every effort will be made to process gifts and make formal acknowledgements as quickly and accurately as possible. The Historical Society provides gift receipts for tax purposes in compliance with applicable IRS regulations and the laws of the State of Maryland, including the disclosure of any "quid pro quo" arrangements in the gift transaction.

### **IV. GIFT TYPES**

#### **A. Cash & Pledges**

1. Gifts in the form of cash, check or credit card will be accepted by the Historical Society of Frederick County, regardless of the amount.
2. Checks shall be made payable to the Historical Society. In no event shall a check be made payable to an individual who represents the Historical Society.
3. A pledge can be made to the Historical Society by an individual, corporation or foundation. Pledges may be made in single or multiple installments and should commit to a specific dollar amount. Except in extraordinary circumstances, pledges should not exceed five years in duration. All pledges must be confirmed in writing by the donor. Verbal pledges are not recorded or reported.
4. Matching gifts made by the employer of the donor or their spouse/partner to match the donor's own contributions to the Historical Society will be accepted. The matching gift

form, along with any required documentation, will be completed and returned to the matching gift entity as expeditiously as possible.

**B. Securities**

1. Gifts in the form of publicly traded securities will be accepted by the Historical Society of Frederick County. Closely held securities or other non-publicly traded securities may be accepted upon consultation with and the approval of the Historical Society's Treasurer.
2. Securities accepted by the Historical Society will be sold immediately to assure that the value is preserved.
3. For acknowledgement and accounting purposes, the value of donated securities is determined by the mean of the high and low value of the security on the date of the gift.

**C. Real Estate**

1. The Historical Society of Frederick County will accept gifts of real estate, both improved and unimproved, only after a thorough review of all aspects of the transaction. This review will be conducted under the direction of the Historical Society's Treasurer. The Historical Society reserves the right to refuse a gift of real estate if it determined to be in the best interest of the organization to do so.
2. The donor must submit a letter of intent regarding the gift of real estate before the Historical Society will conduct its own due diligence and market analysis. The existence of mortgages, deeds of trust, restrictions, reservations, easements, liens and other limitations of record must be disclosed. No gift of real estate will be accepted until all such limitations are discharged, unless the fair market value of the Historical Society's interest in the property, net of all encumbrances, is substantial.
3. If the gift real estate is accepted, the fair market value, determined by an independent appraisal, will be used for gift acknowledgement and accounting purposes.
4. The gift date for real estate gifts is the date the property is deeded to the Historical Society.

**D. Retained Life Estates**

1. The Historical Society of Frederick County may accept gifts of a farm or residence with a retained life estate after assessing the length of the life tenancy and examining all of the factors otherwise relevant to the acceptance of gifts of real estate.
2. Should the gift be accepted, the donor will continue to be responsible for taxes, insurance and maintenance on the property.
3. If the donor wishes to sell the property prior to death, the donor and the Historical Society will jointly negotiate terms of the sale.

**E. Life Insurance**

1. The Historical Society of Frederick County may accept gifts of life insurance policies if the organization is made owner and irrevocable beneficiary of the entire policy. The Historical Society reserves the right to determine whether it will cash in the policy or retain it as an investment.

2. If the donor pays the premium to the Historical Society or directly to the insurance company, the donor will receive gift credit for the premium paid. If the insurance policy is paid in full, the Historical Society will record the cash surrender value as a current gift.
3. If the Historical Society receives that death benefit of an insurance policy in which it was named beneficiary but not owner, the amount received will be reported as a cash gift on the date received.

**F. Planned Giving Annuities and Trusts**

1. The Historical Society of Frederick County may accept gifts through planned giving annuities and trusts, whereby the donor transfers assets immediately, but the use of the gift is deferred to a later date. These may include charitable gift annuities, deferred gift annuities, charitable remainder trusts, and charitable lead trusts.
2. Payout rates for charitable gift annuities and deferred gift annuities shall be established in accordance with the parameters established by the American Council on Gift Annuities.

**G. Bequests**

The Historical Society of Frederick County encourages its supporters and friends to provide for the future of the organization by including the Historical Society in their estate planning. Bequests may be made in the form of cash, securities, specific property, or by naming the Historical Society as the recipient of a specific percentage of the estate or the residue of the estate after payment of all taxes, other bequests, and expenses.