

GIFT ACCEPTANCE POLICIES and GUIDELINES

The American Research Center in Egypt, Inc. (ARCE), a not-for-profit organization organized under the laws of the State of Massachusetts, encourages the solicitation and acceptance of gifts to ARCE for purposes that will help ARCE to further its mission. ARCE is an exempt organization under section 501(c)(3) of the Internal Revenue Code. As such, donors may deduct contributions to ARCE as provided in Section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to ARCE, or for its use, are deductible for federal estate and gift tax purposes if they meet the applicable provisions of the Internal Revenue Code. The following policies and guidelines govern acceptance of gifts made to ARCE or for the benefit of any of its programs.

PURPOSE OF POLICIES AND GUIDELINES

The Board of Governors of ARCE and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of ARCE. These policies and guidelines govern the acceptance of gifts by ARCE and provide guidance to prospective donors and their advisors when making gifts to ARCE. The provisions of these policies apply to all gifts received by ARCE for any of its programs or services.

USE OF LEGAL COUNSEL

ARCE reserves the right to seek the advice of legal counsel in matters relating to acceptance of gifts when ARCE feels it is appropriate. Review by counsel is recommended for:

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements
2. Documents naming ARCE as Trustee
3. Gifts involving pledge agreements in the amount of \$500,000 or more, contracts, such as bargain sales, charitable remainder trusts or other documents requiring ARCE to assume an obligation
4. Transactions with potential conflict of interest that may invoke IRS sanctions
5. Other instances in which use of counsel is deemed appropriate by the Finance and Audit Committee of ARCE

CONFLICT OF INTEREST

ARCE is not a tax, estate or financial planner. As such, ARCE will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estates planning consequences. ARCE will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

RESTRICTIONS ON GIFTS

ARCE may accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. ARCE will not accept gifts that are too restrictive in purpose. Gifts that are too

restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of ARCE.

All final decisions on the nature of new individual major gifts or corporate contributions in the amount of \$100,000 and above, and its acceptance or refusal, shall be recommended to the entire Board of Governors by ARCE's Development Committee and the Board shall vote on the final acceptance or refusal decision. If there is a time sensitivity for the acceptance of the gift, such as the end of the calendar year, there are two options for a vote: 1) ARCE's Development Committee will call a special Board Teleconference within 72 hours, which will consist of a quorum of Board Members, including the officers, to vote on its acceptance or refusal or, 2) ARCE's Executive Director will call for a vote via email which must be unanimous and occur within 72 hours.

TYPES OF GIFTS

1. ARCE may accept the following types of gifts, whether outright, pledges, or deferred:
 - A. Gift of Funds
 - B. Tangible Personal Property
 - C. Marketable Securities
 - D. Real Estate
 - E. Remainder Interests in Property
 - F. Life Insurance
 - G. Charitable Gift Annuities
 - H. Charitable Remainder Trusts
 - I. Charitable Lead Trusts
 - J. Retirement Plan Beneficiary Designations
 - K. Bequests
 - L. Life Insurance Beneficiary Designations

2. Subject to the terms of these guidelines, the following criteria govern the acceptance of each gift type:
 - A. **Gift of Funds:** Gifts of funds are acceptable in any form (cash, check, credit card) and in any amount. Checks shall be made payable *only* to the American Research Center in Egypt or ARCE and shall be delivered to the 909 N. Washington Street, Suite 320, Alexandria, VA 22314.

 - B. **Tangible Personal Property:** No antiquities can be accepted by ARCE. The following are some of the criteria used to determine the suitability of all other gifts of tangible personal property:
 - Does the property fulfill the mission of ARCE?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?
 - What we cannot accept:

- We cannot accept contributions or items from collectors who do not follow the Association of Art Museum Directors 1970 rule that all Egyptian antiquities must have documentation that they were lawfully taken out Egypt before 1970 (or an export permit from the country of origin). For more information, [please see the following link on the UNESCO 1970 Convention](#).

The final determination of the acceptability of tangible property gifts shall be made by ARCE's Board of Governors, at its sole discretion.

C. **Marketable Securities:** Marketable securities must adhere to ARCE's Marketable Securities Gift Retention Policy:

The American Research Center in Egypt, Inc. (ARCE) recognizes the value of receiving marketable securities. It is the policy of ARCE to direct its brokerage firm to sell gifts of marketable securities immediately upon receipt, or as soon as possible thereafter. ARCE will provide a gift acknowledgement letter to the donor stating the name of the security(ies), the number of shares, the date received and the value of the shares that will be based on the average value on date of transfer.

D. **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a life estate. Prior to acceptance of real estate, ARCE shall require an initial due diligence review, including but not limited to an environmental review, a title review, and a lien review.

When appropriate, a title policy insuring ARCE's interest in the real property shall be obtained prior to the acceptance of the real property gift. The cost of this title policy shall be an expense of the donor.

ARCE may also require a supporting endowment for said property to cover maintenance and taxes.

The following are some of the criteria used to determine the suitability of the real property:

- Does the donor hold legal title to the property?
- Is the property useful for the purposes of ARCE?
- Is the property marketable?
- Are there any restrictions, reservations, easements, liens, or other limitations associated with the property?
- What are the carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

E. **Remainder Interests in Property:** ARCE will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of item D., above. The donor or other occupants may continue to occupy the real property for the duration of the life estate. At the death of the donor, ARCE may use the property or reduce it to cash. Where ARCE 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 primary beneficiary.

F. **Life Insurance:** ARCE must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, ARCE 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 elect to continue to make gifts to cover premium payments on the life insurance policy, ARCE may:

- Continue to pay the premiums
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

G. **Charitable Gift Annuities:** ARCE may offer charitable gift annuities. The minimum gift for funds is \$25,000. The minimum age for life income beneficiaries of a gift annuity shall be 60. Notwithstanding the above, ARCE's Board of Governors may make exceptions to the minimum funding and age requirements. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. ARCE's Finance and Audit Committee may approve exceptions to this payment schedule.

ARCE will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. ARCE may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and ARCE's Board of Governors approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to ARCE's

operating endowment fund or to such specific fund as restricted by the donor or designated by ARCE's Board of Governors or Finance and Audit Committee.

- H. **Charitable Remainder Trusts:** ARCE may accept designation as remainder beneficiary of a charitable remainder trust with the approval of ARCE's Board of Governors. The minimum gift for a charitable remainder trust is \$100,000 and the minimum age is 55. ARCE will not accept appointment as Trustee of a charitable remainder trust.
- I. **Charitable Lead Trusts:** ARCE may accept a designation as income beneficiary of a charitable lead trust. The minimum gift for a charitable lead trust is \$100,000. ARCE will not accept appointment as Trustee of a charitable lead trust.
- J. **Retirement Plan Beneficiary Designations:** Donors and supporters of ARCE will be encouraged to name ARCE as beneficiary of their retirement plans. Such designations will not be recorded as gifts to ARCE 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 will be recorded at the time the gift becomes irrevocable.
- K. **Bequests:** Bequests and contributions that are restricted by the donor are used only for the purpose specified in said restrictions. Unrestricted contributions are normally deposited in the general fund reserve fund. Donors and supporters of ARCE will be encouraged to make bequests to ARCE under their wills and trusts. Such bequests will not be recorded as gifts to ARCE 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 will be recorded at the time the gift becomes irrevocable. The Executive Director is responsible for the designation of bequests and contributions according to the policy. ARCE's Director of Development will keep records of funds relating to restricted contributions and corresponding expenditures. Expenditures should be approved by Executive Director or the Board to ensure expenditures are within the donor's restrictions.
- L. **Life Insurance Beneficiary Designations:** Donors and supporters of ARCE will be encouraged to name ARCE as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to ARCE 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 will be recorded at the time the gift becomes irrevocable.

MISCELLANEOUS PROVISIONS

1. **Securing appraisals and legal fees for gifts to ARCE:** It will be the responsibility of the donor to secure an appraisal (where required) and independent counsel for all gifts made to ARCE.

2. **Valuation of gifts for development purposes:** Subject to the foregoing, ARCE will record a gift received by ARCE at its valuation for gift purposes on the date of gift.
3. **Responsibility for IRS Filings upon sale of gift items:** The Business and Finance Director of ARCE is responsible for filing IRS Form 8282 upon sale or disposition of any asset sold within two years of receipt by ARCE when the charitable deduction value of the item is more than \$5,000. ARCE must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.
4. **Gifts not covered by this policy:** Any potential gifts not covered by this Gift Acceptance Policy will be reviewed on a case by case basis by ARCE's Board of Governors.
5. **Acknowledgements:** All gifts must be acknowledged in a timely manner and be made in compliance with all applicable laws and regulations.

CHANGES TO GIFT ACCEPTANCE POLICIES

These policies and guidelines have been reviewed and recommended by the Board of Governors of the American Research Center in Egypt, Inc. ARCE reserves the right to make changes to this policy, provided that the Board of Governors approves any changes to or deviations from these policies.

ATTACHMENTS

- I. Model Standards of Practice of the Charitable Gift Planner
- II. Environmental Review Forms
- III. IRS Form 8282 and Instructions
- IV. IRS Publication 561, Determining the Value of Donated Property
- V. IRS Publication 526, Charitable Contributions

Approved by Finance Committee, June 24, 2008

Approved by Executive Committee, August 26, 2008

Approved by Board of Governors, September 16, 2008

Amended by Board of Governors, October 15, 2011

Approved by Board of Governors, September 22, 2018