

**GIFT ACCEPTANCE POLICIES
of the
GALLERY ONE VISUAL ARTS CENTER**

INTRODUCTION

In order to protect the interests of **GALLERY ONE VISUAL ARTS CENTER**, hereinafter referred to as the “**GALLERY ONE**” and the persons and other entities who support its programs, these policies are designed to assure that all gifts to, or for the use of the GALLERY ONE, are structured to provide maximum benefits to both parties.

This document will focus on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property.

The goal is to encourage funding of the GALLERY ONE without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner which is not in keeping with the goals of the GALLERY ONE.

To optimize funding from individuals and other entities, the GALLERY ONE must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. It is understood that except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained since some gift situations can be complex, and decisions only made after careful consideration of a number of interrelated factors. Therefore, these policies will in some instances require that the merits of a particular gift be considered by the GALLERY ONE Directors and a final decision be made only by that body.

I. OUTRIGHT GIFTS

A. Cash

1. Gifts in the form of cash and checks shall be accepted regardless of amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to the GALLERY ONE.

2. All checks must be made payable to **GALLERY ONE VISUAL ARTS CENTER** and shall in no event be made payable to an employee, agent, or volunteer for the credit of the GALLERY ONE.

B. Publicly Traded Securities

1. Securities which are traded on the New York or American Stock Exchanges, or other readily marketable securities, shall be accepted by the GALLERY ONE. **It may be anticipated that such securities will be immediately sold by the GALLERY ONE.** In no event shall an employee or volunteer working on behalf of the GALLERY ONE commit to a donor that a particular security will be held by the GALLERY ONE unless authorized to do so by an officer of the Board of Directors.

C. Closely Held Securities

1. Non-publicly traded securities may only be accepted after approval of the Directors.
2. Such securities may be subsequently disposed of only with the approval of the Directors.
3. No commitments shall be made for the repurchase of such securities by the GALLERY ONE prior to completion of a gift of securities.

D. Real Property

1. No gift of real estate shall be accepted without prior approval of the Directors.
2. No gift of real estate shall be accepted without first being appraised by a party chosen by the GALLERY ONE who shall have no business or other relationship to the donor. For tax purposes, the donor assumes financial responsibility for securing his/her own IRS appraisal.
3. In general, residential real estate located within Washington State, with a value estimated by the donor or others at \$20,000 or greater will be accepted, unless the Directors shall determine that the property is not suitable for acceptance as a gift.
4. In general, residential real estate located more than 250 miles away will not be accepted as a gift unless its value appears to be in excess of \$50,000 and there is reason to believe it is highly marketable. The Directors may make exceptions to this policy if conditions warrant.
5. No commercial real estate shall be accepted by anyone on behalf of the GALLERY ONE without approval of the Directors.
6. Real estate shall not be accepted to fund a charitable gift annuity without seeking an opinion as to the permissibility of this action under the laws of the state or states involved and approval by the Directors.
7. Special attention shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the GALLERY ONE, and disqualification of certain split interest gifts unless handled in a proper manner.

E. Tangible Personal Property

1. Jewelry, artwork, collections, and other personal property shall not be accepted unless the employee, agent, or volunteer working on behalf of the GALLERY ONE shall have reason to believe the property has a value in excess of \$500. Such property can only be accepted by the Directors.
2. No personal property shall be accepted by the GALLERY ONE unless there is reason to believe the property can be disposed of quickly. No personal property shall be accepted that obligates the GALLERY ONE to ownership of it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard will be accepted without prior approval of the Directors.

3. Notwithstanding the foregoing, if there is reason to believe personal property has a value of \$100 or more, it may only be accepted after receipt and review by the Directors or those empowered to act on their behalf, of an appraisal qualified under terms of the Internal Revenue Code governing gifts of property of this type.

4. Only the Directors may represent to a donor that property will or will not be held by the GALLERY ONE for a specific period of time or for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that the GALLERY ONE will, as a matter of policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

F. Other Property

1. Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by action of the Board of Directors.

2. Appropriate inquiry shall be made and special consideration shall be given to the nature of any gift property and whether it is in keeping with the mission of the GALLERY ONE prior to the acceptance of any property by the Directors.

II. PAYMENT OF FEES RELATED TO GIFTS TO THE GALLERY ONE

A. Finder's Fees or Commissions

1. In general, the GALLERY ONE will pay no fee to any person as consideration for directing a gift to the GALLERY ONE. It is understood that such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fee may subject the GALLERY ONE, the Directors and its management to federal and state security regulation.

2. In no event whatsoever will a commission or finder's fee of any type be paid to any party in connection with the completion of a gift to the GALLERY ONE without prior written approval of the Directors and subsequent written notification to the donor involved of the amount and recipients of any such fee.

B. Professional Fees

1. The GALLERY ONE will pay reasonable fees for professional services rendered in connection with the completion of a gift to the GALLERY ONE. Such fees will be paid only with prior written approval of the Directors.

2. Such fees will be paid only following discussion with and approval by the donor.

3. Fees shall be reasonable, and directly related to the completion of a gift. They shall be limited to appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction, and fees of "fee for service" financial planners. In the case of financial planners, such persons must state in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions which could be construed as triggering securities regulation.

4. In the case of legal, accounting and other professional fees, an attempt shall be made by the Directors to ascertain the reasonableness of these fees prior to payment. An hourly breakdown of time should be requested. In cases which appear excessive, the summary of fees shall be submitted to the GALLERY ONE's corporate counsel for review and approval prior to payment.

5. In cases where the persons receiving fees were initially employed by the donor and the GALLERY ONE is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in taxable income to the donor in the amount of the fees paid.

6. In situations where advisors retained by the GALLERY ONE prepare documents or render advice in any form to the GALLERY ONE and/or a donor to the GALLERY ONE, it shall be disclosed to the donor that the professional involved is in the employ of the GALLERY ONE and is not acting on behalf of the donor and that any documents or other advice rendered in the course of the relationship between the GALLERY ONE and the donor should be reviewed by counsel for the donor prior to completion of the gift.

IV. RESTRICTIONS

A. Restrictions on Use and Investment of Gifts

1. No restrictions on how gifts may be used by the GALLERY ONE will be honored without prior approval of the Directors in the case of current gifts or subsequent approval by the Directors in the case of gifts received by will or other gift which is effective at death which has not been previously approved by the Directors.

2. A permanent endowment for approved purposes may be established with a minimum gift of \$10,000. Additional policies regarding funding of specific projects or purposes such as scholarships or research endowments must be prepared based on the circumstances of each organization.

This Amendment is adopted at a regular meeting of Gallery One in Ellensburg, Washington on the 16th day of March 2015.

ATTEST:

Haley Duke _____
Secretary of the GALLERY ONE

Gary Severin _____
President

REMOVED

II. DEFERRED GIFTS

A. Bequests

1. Gifts through wills (devises or bequests) shall be actively encouraged by the GALLERY ONE.
2. In the event of inquiry by a prospective devisee, representations as to the future acceptability of property proposed to be left to the GALLERY ONE in a will or through any other deferred gift arrangement shall only be made in accordance with the terms and provisions of paragraphs I (A-F) of this document.
3. Gifts from the estates of deceased donors consisting of property which is not acceptable shall be rejected only by action of the Directors. The legal counsel of the GALLERY ONE shall expeditiously communicate the decision of the Directors to the legal representatives of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision of the Directors, this fact shall be communicated to the Directors as quickly as possible.
4. Attempts shall be made to discover devise expectancies wherever possible in order to reveal situations which might lead to unpleasant donor relations in the future. Where possible, intended devises of property other than cash or marketable securities should be brought to the attention of the Directors and every attempt be made to encourage the donor involved to conform his or her plans to the GALLERY ONE policy.

B. Charitable Remainder Trusts

1. In general, the GALLERY ONE will not serve as sole trustee of a charitable remainder trust for the benefit of the institution. This policy may only be waived by a written resolution of the Directors.
2. The Board of Directors will identify a number of corporate fiduciaries in which it has confidence. Only with the approval of the Directors may any corporate fiduciary be recommended to a donor.
3. The fees for management of a charitable remainder trust will only be paid by the GALLERY ONE upon approval of the Directors.
4. The Directors and other employees and volunteers acting on behalf of the GALLERY ONE should become familiar with the types of property generally accepted by corporate fiduciary as suitable contributions to charitable remainder trusts and employees or others acting on behalf of the GALLERY ONE shall not encourage donors to make gifts of any property to charitable remainder trusts which are not in keeping with such guidelines.
5. No representations shall be made by the Directors, any employee or other persons acting on behalf of the GALLERY ONE as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary who may be recommended by the GALLERY ONE without the prior approval of such representation by the fiduciary.
6. Charitable remainder trusts and all other deferred gifts shall be encouraged as a method of making gifts to the GALLERY ONE while retaining income which may be needed by the donor or other persons chosen by the donor for any number of personal purposes. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and/or state securities regulations.

7. No Charitable Remainder Trust for which the GALLERY ONE serves as co-trustee shall be encouraged which names as income beneficiaries individuals under 55 years of age or which names more than two income beneficiaries. No charitable remainder trust shall be encouraged where it is determined that the net present value of the remainder interest in the trust is less than \$10,000 or 20% of value of the funds transferred to the trust, as it is felt that it is generally unwise to encourage donors of a young age to make such gifts, as this may have a detrimental impact on future current giving. The minimum amount required to establish a Charitable Remainder Trust for which the GALLERY ONE serves as co-trustee is \$50,000.

C. Life Estate Gifts

1. Donors shall generally not be encouraged to make gifts of real property to the GALLERY ONE under which they maintain a life interest in the property.

2. This policy is based on the fact that such transfers are often not in the best interest of the donor involved, and there is potential for negative publicity for the GALLERY ONE should a donor have a need to sell the property to generate funds, only to find that a relatively small portion of the proceeds would be available to the donor as owner of the life estate.

3. Such gifts may be accepted by approval of the Directors in situations where the asset involved appears to be a minor portion of the donor's wealth, and the committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

D. Gifts of Life Insurance

1. The Directors will encourage donors to name the GALLERY ONE to receive all or any portion of the benefits of life insurance policies which they have purchased on their lives.

2. The GALLERY ONE will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made only after researching relevant state laws to assure that the GALLERY ONE has an insurable interest under applicable state law.

3. No insurance products may be endorsed for use in funding gifts to the GALLERY ONE without Trustee approval.

4. In no event shall lists of the GALLERY ONE donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the GALLERY ONE. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject the GALLERY ONE to state insurance regulations should the activity be construed as involvement in the marketing of life insurance.