



GIFT ACCEPTANCE POLICY

Vision

The Visual Arts Center of New Jersey (VACNJ) seeks to create an inclusive and welcoming community where lives are transformed and enriched through the shared experience of art.

Mission

VACNJ nurtures the capacity for personal expression, expands the creative experience, and fosters stronger communities by empowering people to see, make, and learn about art. Through exhibition, Studio School, and community programs, VACNJ engenders connection, curiosity, and creative risk-taking among its constituents.

Policy

VACNJ solicits and accepts gifts for all purposes that will help the organization further and fulfill its mission. VACNJ encourages prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to VACNJ for the benefit of any of its operations, programs, or services.

Use of Legal Counsel – VACNJ will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is generally sought for:

- A. Gifts of securities that are subject to restrictions or buy-sell agreements.
- B. Documents naming VACNJ as trustee or requiring VACNJ to act in any fiduciary capacity.
- C. Gifts requiring VACNJ to assume financial or other obligations.
- D. Transactions with potential conflicts of interest.
- E. Gifts of property which may be subject to environmental or other regulatory restrictions.
- F. Drafting a written gift agreement document.

Restrictions on Gifts – VACNJ cannot accept gifts that (a) would result in VACNJ violating its corporate charter, (b) would result in VACNJ losing its status as an IRC § 501 (c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for VACNJ, or (e) are for purposes outside VACNJ's mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Development/Finance Committees, in consultation with the Executive Director.

Gifts Generally Accepted Without Review –

- *Cash.* Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, American Express), card number, expiration date, zip code, and name of the card holder as it appears on the credit card.
- *Marketable Securities.* Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by VACNJ's Development/Finance Committees. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Development/Finance Committees.
- *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities, and Retirement Plans.* Donors are encouraged to make bequests to VACNJ under their wills, and to name VACNJ as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.
- *Charitable Remainder Trusts.* VACNJ will accept designation as a remainder beneficiary of charitable remainder trusts.
- *Charitable Lead Trusts.* VACNJ will accept designation as an income beneficiary of charitable lead trusts.

Gifts Accepted Subject to Prior Review – Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

- *Tangible Personal Property.* The Development Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?
- *Life Insurance.* VACNJ will accept gifts of life insurance where VACNJ is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any required future premium payments owing on the policy.
- *Real Estate.* All gifts of real estate are subject to review by the Development/Finance Committees. Prior to acceptance of any gift of real estate other than a personal residence, VACNJ will generally require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include: Is the property useful for the organization's purposes? Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property? Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property? Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

Written Agreements – VACNJ will in some instances require a VACNJ-approved gift agreement to be reviewed by legal counsel and signed by both VACNJ and the donor. Instances in which a written agreement may be deemed necessary include but are not limited to:

- *The donor provides conditions on how the money may be spent.* If the donation is temporarily restricted for a certain project (especially when the dollar amount of the donation exceeds \$5,000), a written agreement may be helpful in mandating the usage of funds.
- *The gift requires a commitment by VACNJ to spend funds in a certain way that requires additional funds.* In this scenario, a written agreement would ensure adequate funds and avoid misunderstandings.
- *An endowment is accepted.* VACNJ considers accepting new endowments that are valued at a minimum of \$100,000. Because endowments contain numerous aspects that may need to be addressed (e.g., asset allocation, spending policy, performance analysis, fee review, etc.), a written gift acceptance agreement would be optimal in documenting terms, conditions, and procedures. Gifts to be added to a current endowment will be reviewed on a case-by-case basis by the Development/Finance Committees.