

Lexington Philharmonic Orchestra Foundation's Gift Acceptance Policy Fall 2017

The purpose of the Lexington Philharmonic Orchestra Foundation, Inc. ("Foundation") is to secure long-term financial support through public and private sources and to promote philanthropic activity to benefit the Foundation's endowment to support the Lexington Philharmonic Orchestra Society. With that purpose, the Foundation welcomes donor support of various types of gifts of assets that can be used to enhance the Foundation's endowment. This Gift Acceptance Policy is intended to help facilitate gifts to the Foundation by providing guidelines for donors.

SOLE DISCRETION Acceptance of any contribution, gift or grant is at the sole discretion of the Foundation. The Foundation will not accept any gift unless it can be used or expended consistently with the values, purpose and mission of the Foundation.

The Foundation will not accept gifts that (a) would result in any conflict with the Foundation's Articles of Incorporation or Bylaws, (b) would result in the Foundation losing its status as an IRS 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, or (d) would result in any unacceptable consequences for the Foundation. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Foundation's Executive Committee.

COSTS OF ACCEPTING AND ADMINISTERING GIFTS Except as the Foundation's Executive Committee may approve in unusual circumstances, the costs associated with the transfer of a gift by the donor, such as attorney fees, accounting fees, and other professional fees as well as other costs including, but not limited to, appraisal, escrow, evaluation, title insurance, and environmental assessment fees are the responsibility of the donor.

Custodial, investment, and administrative fees may be assessed and paid by the donor in accordance with the Foundation's guidelines as approved by the Board from time to time.

CONFIDENTIALITY The Foundation shall maintain control over files and information received from or about the donors or prospective donors in order to maintain confidentiality. The Foundation shall not expose the donor or information regarding the donor's gift to the public or media without the consent of the donor.

AUTHORITY TO AMEND The Foundation reserves the right to amend the Policy and Guidelines and any time with or without notice.

IRREVOCABLE Once a gift is transferred to the Foundation, the gift is deemed irrevocable. The donor relinquishes all right, title, and interest to the contributed assets. In particular, the donor relinquishes the right to choose asset allocation, investments, bank, investment agent, broker, or to veto investment choices for any gifts. The Foundation reserves the right to make any and all investment decisions regarding gifts in accordance with its Investment Policy.

CHARITABLE PURPOSE All gifts must be for a charitable purpose. All gifts must be consistent with the

stated mission, purposes and priorities of the Foundation. All gifts shall be in compliance with the Internal Revenue Code and any other applicable federal or state statutes, and regulations. The Foundation will seek to administer the gift according to the intent of the donor, provided such intent does not violate the terms of the Articles of Incorporation of the Foundation, place other assets of the Foundation at risk, contain any unreasonable condition or restriction, or violate any federal, state or local laws.

NONTRUSTEE The Foundation does not serve or act as trustee for any charitable remainder trust, charitable lead trust, revocable or irrevocable trust, or as co-trustee with an individual or trust institution.

TIMING OF GIFTS. The Foundation welcomes estate plan gifts, including through charitable remainder trusts, charitable lead trusts, bequests and beneficiary designations under revocable trusts, commercial annuities and retirement plans.

DONOR RECOGNITION The Foundation will respect the intent of the donor relating to gifts from those desiring to remain anonymous. With respect to anonymous gifts, the Foundation will restrict information about the donor to only those Foundation Board or staff members with a need to know.

NO FINDER'S FEE The Foundation will not compensate, whether through commissions, finders' fees, or other means, any third party for directing a gift or a donor to the Foundation.

RESTRICTION ON GIFTS. Certain gifts, whose use is restricted in some manner, must be reviewed prior to acceptance due to the special obligations raised or liabilities they may pose for the Foundation.

INDEPENDENT CONSULTATION The Foundation will not provide advice about the tax or other treatment of gifts and encourages donors to seek guidance from their own professional advisors, including independent financial, legal and/or tax counsel to assist them in the process of making their contribution.

POLICIES AND GUIDELINES FOR ACCEPTANCE OF TYPES OF GIFTS. The Foundation will accept donations of the following type items.

CURRENT GIFTS:

Cash. Policy: Cash gifts are acceptable in any form, including by check, money order, credit card, wire transfer, or on-line.

Guidelines:

1. The Foundation records face value of cash as a gift on the date of delivery to the Foundation or receipt by authorized staff of the Foundation.
2. The donor may wire a gift to the Foundation's account by contacting staff for necessary account processing information.
3. The Foundation records face value of checks as a gift on the date of delivery to the Foundation. IRS rules provide that the unconditional delivery of a check which clears in due course is deemed to be given on date of delivery.
4. IRS rules provide that if a check is dated at the end of the year, the delivery envelope must show a post mark no later than December 31st for recording as a gift in the current year. The

Foundation has internal management systems for receipt and recording of gifts of cash and checks.
5. The Foundation records credit card contributions charged on the donor's bank credit card as of the date of the charge.

Tangible Personal Property Policy: The Foundation may accept gifts of tangible personal property, including but not limited to, artwork, collectibles, antiques, jewelry, books, livestock, timber, crops, automobiles, and boats, only after a review and approval by the Foundation's Executive Committee.

Guidelines:

1. The donor is responsible for obtaining an appraisal by a certified appraiser identifying the value of the tangible personal property if it exceeds \$5,000.
2. The proposed gift must be readily marketable, free of encumbrances, and related to the tax-exempt charitable purpose of the Foundation.
3. The Foundation will inform the donor of how the Foundation expects to use the property. The donor should consult with the donor's professional advisors to determine whether this anticipated use is related or unrelated to the Foundation's tax-exempt purpose. In the case of a charitable gift of tangible personal property, this determination can affect whether the donor is eligible for a charitable income tax deduction for the fair market value (applicable in the case of related use) or for the donor's cost basis in the property (applicable in the case of unrelated use).
4. The donor is responsible for filing IRS Form 8283 and must provide a completed copy. The Foundation is required to file IRS form 8282 if the property is sold within two (2) years of the gift.
5. The delivery of tangible personal property generally requires an actual transfer of possession to effect a completed gift for tax purposes.
6. Noncash gifts with a fair market value of less than \$5,000 may be reported at the value declared by the donor. The Foundation will acknowledge the gift by description and name of donor, but will not assign a value for tax purposes.

Marketable (Publicly Traded) Securities Policy: The Foundation may accept gifts of securities that are readily marketable, i.e. traded on a recognized market.

Guidelines:

1. Marketable securities may be transferred electronically to an account maintained at the Foundation's brokerage firm(s). The Foundation will provide the appropriate account number and DTC wire number of the Foundation's account and other relevant information.
2. Prior to an electronic stock transfer, the donor should notify the Foundation of the number of shares, intended transfer date, purpose of the gift, and the source of the transfer (i.e. if from a bank or brokerage firm or issuing corporation, if applicable).
3. The transfer of marketable securities may be by hand delivery of stock certificate. If by hand delivery, the donor must bring the unendorsed stock certificate and a signed stock power for each certificate, with only the signature block of the stock power completed. The donor also shall bring a letter indicating that the donor is gifting the shares to the Foundation. The Foundation will provide the donor a receipt acknowledging the delivery and purpose of the delivery. The date of the gift is the date the donor delivers the certificates, stock power and letter to the Foundation.

4. The transfer of marketable securities may be by mail, with the donor sending the unendorsed stock certificate(s) by registered mail to the Foundation at its business address. In a separate envelope, by regular mail, the donor should send to the Foundation at its business address, a signed stock power (one for each certificate) with on the signature block completed, and a written statement identifying the donor, the donor's address, phone number, email, the number of shares, name of the stock and purpose for the gift. The donor shall mail both envelopes on the same day. The date of the gift is determined by the later postmark.

5. If the donor delivers the stock certificate(s) to the issuing corporation or a broker for transfer to the name of the Foundation, the gift is complete when the stock is transferred on the corporation's books to the Foundation.

6. All marketable securities will be sold promptly upon receipt unless otherwise directed by the Foundation's Executive Committee. 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 Foundation's Executive Committee.

Mutual Funds Policy The Foundation may accept gifts of mutual funds.

Guidelines:

1. The Foundation will acknowledge the gift of mutual funds and will value it at the public redemption price multiplied by number of shares on the effective date of the transfer.

2. The transfer of mutual funds is specific to the fund company, bank or brokerage firm. Prior to the transfer, the donor and Foundation should conduct efforts to verify the documentation and forms required for the transfer.

3. The donor shall provide the Foundation with the most recent mutual fund statement.

4. The Foundation may assist the donor in the transfer process but generally, with mutual funds, the donor must direct the transfer due to confidentiality laws. The Foundation will not be able to obtain account specific information from the fund company.

5. The Foundation's standing policy is to sell the mutual funds upon receipt.

Closely-held stock, limited partnership and limited liability company interests. Policy. The Foundation generally does not accept these type assets.

Real Estate. Policy. The Foundation may accept gifts of real estate including but not limited to residential, commercial, developed and undeveloped.

Guidelines:

1. The Foundation reviews and evaluates gifts of real estate on a case-by-case basis. The donor should provide relevant information including the address, plot map, opportunity for a visual inspection, any leases mortgages, and any other contracts affecting the property, a qualified appraisal of the property, a Phase I Environmental Assessment of the property and evidence of clear title through title insurance. The Foundation will consider the equity and value of the real estate compared to costs to maintain the real estate until sale in making a determination whether to accept a gift of real estate. The donor may be asked to include a cash outlay to the Foundation to cover the expenses such as insurance, taxes, maintenance and any fees required to hold the real estate until sale.

2. The donor will be responsible for any recapture of accelerated depreciation deductions or short-term capital gains and for determining the tax effect, if any, to the donor.

3. The Foundation generally intends to sell any donated real estate for its full fair market value as soon as possible and reserves the right to make all decisions regarding the sale or retention of donated real estate.

4. The donor should sign a recordable general warranty deed conveying the property to the Foundation.

5. The Foundation may consider a proposed gift of a partial-interest in real estate such as an undivided interest, or a remainder interest, but on a case-by-case basis.

Gifts In-Kind. Policy. The Foundation, after prior written approval, will accept gifts of product or service which are part of the Foundation's normal activities that can replace the need to purchase such products or services.

Guidelines:

1. The Foundation will not ascribe value or acknowledgement/receipt of any gift in-kind without proper IRS substantiation from the provider of the gift.

2. The Foundation will provide acknowledgments to donors meeting IRS substantiation requirements for property or services received by the Foundation as a gift.

LIFE INSURANCE POLICIES AND PROCEEDS Policy: The Foundation may accept gifts of life insurance policies and proceeds. .

Guidelines:

1. The donor may name the Foundation as the primary or contingent beneficiary of the life insurance policy and the donor retains ownership of the policy.

2. The donor may irrevocably transfer ownership of a fully paid-up policy to the Foundation. Then as owner, the Foundation will name itself the primary beneficiary.

3. The donor may irrevocably transfer ownership of a life insurance policy to the Foundation and contractually agree to pay future premiums due on the policy. In the event the donor does not elect to continue to gift the premium amount, the Foundation may surrender the policy for its cash surrender value or convert the policy to paid up insurance.

4. The tax treatment will be in accordance with the applicable tax requirements for the type of gift made.

5. The donor shall provide the Foundation an original of the policy and all pages of the financial illustration that states the cash surrender value and death benefits.

PLANNED GIFTS (LEGACY GIFTS)

_____ The Foundation welcomes planned and testamentary gifts. Planned giving includes any form of a gift where the benefit does not accrue to the Foundation until a future time, including but not limited to, the death of the donor or other income beneficiary or the expiration of a predetermined period of time, or the Foundation receives immediate benefits then followed by the interest of noncharitable beneficiaries.

Bequests. Policy: The Foundation may accept gifts through a will or other bequest vehicle.

Guidelines:

1. Bequests from a will, trust or other document may be specific, contingent or of the residue of the estate.
2. If the donor is willing, the Foundation would prefer to receive a copy of the applicable bequest provision of a will or trust or other document. Otherwise, the donor should set forth his or her instructions and intent in a signed Donor Acknowledgment Form, a copy of which is attached as Exhibit A.

Retirement Plan Beneficiary Designation Policy. The Foundation may accept gifts from retirement plans which include, but are not limited to, Individual Retirement Accounts (IRAs), 401(k) and 403(b) plans, or other qualified or nonqualified plans.

Guidelines:

1. The donor should designate the Foundation as the primary, successor or contingent beneficiary for all or a percentage of the assets upon the death of the donor as owner or upon death of the owner's spouse, if applicable.
2. Any beneficiary designation must be on the form prescribed by the trustee or administrator of the retirement account and properly filed with the same.
3. Upon notification of the beneficiary designation, the Foundation requests that the donor provide a copy of the form..
4. The proceeds will be deposited in memory of the donor to the Foundation or as designated by the donor.

Charitable Remainder Trusts ("CRT"), Charitable Remainder Annuity Trusts ("CRAT"), Charitable Remainder Unitrust (including the variations thereof) and Charitable Lead Trust. Policy: The Foundation may be named as a beneficiary of various types of charitable trusts.

Guidelines.

1. The Donor must work with professional advisors on the implementation of any of these various types of charitable trusts. The Foundation will not serve as trustee of any such trusts.
2. The Foundation encourages the donor and his or her advisors to consult with the Foundation to achieve the donor's charitable objectives.
3. In the event the Foundation does not have prior knowledge that the Foundation is a charitable beneficiary of a trust, the Foundation reserves the right to disclaim any interest.