

GIFT ACCEPTANCE POLICY
OF
HOPSEWEE FOUNDATION, INC.

Hopsewee Foundation, Inc. (“*Hopsewee*”), a South Carolina nonprofit corporation recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code (the “*Code*”), solicits and accepts gifts to further and fulfill its mission. The mission of Hopsewee is to preserve, operate, and sustain Hopsewee National Historic Landmark, including the Hopsewee Historical Museum, for the benefit and education of the public at large. The following policies and guidelines govern acceptance of gifts made to Hopsewee for the benefit of any of its mission, operations, programs, or services. In connection with any specific gift opportunity, the Board of Directors of Hopsewee (the “*Board*” or “*Board of Directors*”) or the Chair, with the affirmation of the Board, may create an ad hoc committee and appoint members thereto to review the proposed gift and make a recommendation to the Board with regard to the gift’s acceptance.

I. Purpose of Policies and Guidelines.

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

II. No Tax, Legal, or Financial Advice Given to Donors.

Hopsewee shall not provide tax, legal, or financial advice to any donor or perspective donor. Hopsewee urges all prospective donors to seek the assistance of personal, tax, legal, and financial advisors in matters relating to donors’ gifts, including the resulting tax and estate planning consequences.

III. Restrictions on Gifts.

Hopsewee will not accept any gift that: (a) would result in Hopsewee violating its Articles of Incorporation, Bylaws, or any other policies established by Hopsewee from time to time, (b) would result in Hopsewee jeopardizing its status as a tax exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for Hopsewee, or (e) are outside Hopsewee’s mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors.

IV. Types of Gifts.

The following gifts are acceptable based on any additional criteria contained herein:

- Cash
- Tangible Personal Property
- Securities
- Real Estate
- Remainder Interests in Property
- Oil, Gas, and Mineral Interests
- Bargain Sales
- Life Insurance
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Retirement Plan Beneficiary Designations
- Bequests from Wills and Estates
- Life Insurance Beneficiary Designations

The following criteria govern the acceptance of each gift form:

- 1) **Cash.** Cash is acceptable in any form. Checks shall be made payable to “Hopsewee Foundation, Inc.” and shall be delivered to the Chair or Chief Executive Officer in Hopsewee’s administrative offices.
- 2) **Tangible Personal Property.** All gifts of tangible personal property shall be examined in light of the following criteria:
 - Does the property fulfill the mission of Hopsewee?
 - 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?

The Board of Directors may make the final determination on the acceptance of other tangible property gifts.

- 3) **Securities.** Hopsewee can accept both publicly traded securities and closely held securities.

Publicly Traded Securities. Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor’s signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Board of Directors. In some cases, marketable securities may be restricted by applicable securities laws; in such instances, the final determination on the acceptance of the restricted securities shall be made by the Board of Directors.

Closely Held Securities. Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, may be accepted subject to the approval of the Board of Directors. However, gifts must be reviewed prior to acceptance to determine:

- There are no restrictions on the security that would prevent Hopsewee from ultimately converting those assets to cash.
- The security is marketable.
- The security will not generate any undesirable tax consequences for Hopsewee.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Board of Directors shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

- 4) **Real Estate.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, Hopsewee shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, Hopsewee shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by Hopsewee prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor. Prior to acceptance of the real property, the gift shall be approved by the Board of Directors. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of Hopsewee?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there 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?

- 5) **Remainder Interests in Property.** Hopsewee will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, Hopsewee may use the property or reduce it to cash. Where Hopsewee 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.

- 6) **Oil, Gas, and Mineral Interests.** Hopsewee may accept oil, gas, and mineral property interests, when appropriate. Prior to acceptance of an oil, gas, or mineral interest, the gift shall be approved by the Board of Directors. Criteria for acceptance of the property shall include:
- Gifts of surface rights should have a value of \$20,000 U.S. dollars or greater.
 - Gifts of oil, gas, and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
 - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
 - A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
 - The property should undergo an environmental review to ensure that Hopsewee has no current or potential exposure to environmental liability.
- 7) **Bargain Sales.** A bargain sale to a charitable organization is the sale of a good or service to a charitable organization for less than the fair market value of the good or service received. Hopsewee will only enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of Hopsewee. All bargain sales must be reviewed and recommended by the Board of Directors. Factors used in determining the appropriateness of the transaction include:
- Hopsewee must substantiate the value of the property.
 - If Hopsewee assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
 - Hopsewee must determine that it will use the property, or that there is a market for sale of the property, allowing sale within twelve (12) months of receipt.
 - Hopsewee must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
- 8) **Life Insurance.** Hopsewee 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 shall be valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, Hopsewee 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, Hopsewee may:
- Continue to pay the premiums;
 - Convert the policy to paid up insurance; or
 - Surrender the policy for its current cash value.

- 9) **Charitable Remainder Trusts.** Hopsewee may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Board of Directors. Hopsewee will not accept appointment as trustee of a charitable remainder trust.
- 10) **Charitable Lead Trusts.** Hopsewee may accept a designation as income beneficiary of a charitable lead trust. The Board of Hopsewee will not accept an appointment as trustee of a charitable lead trust.
- 11) **Retirement Plan Beneficiary Designations.** Donors and supporters of Hopsewee will be encouraged to name Hopsewee as beneficiary of their retirement plans. Such designations will not be recorded as gifts to Hopsewee 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 may be recorded at the time the gift becomes irrevocable.
- 12) **Bequests from Wills and Estates.** Donors and supporters of Hopsewee will be encouraged to make bequests to Hopsewee under their wills and trusts. Such bequests will not be recorded as gifts to Hopsewee 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 may be recorded at the time the gift becomes irrevocable.
- 13) **Life Insurance Beneficiary Designations.** Donors and supporters of Hopsewee will be encouraged to name Hopsewee as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to Hopsewee until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

V. **Use of Legal Counsel.**

Hopsewee will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel is recommended for:

- 1) Gifts of securities, such as closely held stock or stock subject to other restrictions such as buy-sell agreements.
- 2) Documents naming Hopsewee as trustee or requiring Hopsewee to act in any fiduciary capacity.
- 3) Gifts involving contracts, such as bargain sales, or other documents requiring Hopsewee to assume financial or other obligations.
- 4) Transactions with potential conflicts of interest involving Directors or officers.
- 5) Gifts of property which may be subject to environmental or other regulatory restrictions.

- 6) Gifts of real property or intellectual property.
- 7) Other instances in which use of counsel is deemed appropriate by the Board of Directors based on the facts and circumstances of the proposed gift.

VI. Miscellaneous Provisions.

Securing appraisals and legal fees for gifts to Hopsewee. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to Hopsewee. Each prospective donor shall be responsible for the donor's own legal, accounting, appraisal, transportation, and other fees in connection with the donor's gift to Hopsewee.

Valuation of gifts for development purposes. Hopsewee will record a gift received by Hopsewee at its valuation for gift purposes on the date of the gift. Hopsewee retains the right to obtain its own qualified appraisals of real property or tangible or intangible personal property being offered as a gift at its own expense.

Responsibility for IRS Filings upon sale of gift items. The gift acceptance committee of Hopsewee is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two (2) years of receipt by Hopsewee when the charitable deduction value of the item is more than \$5,000 U.S. dollars. Hopsewee must file this form within 125 days of the date of sale or disposition of the asset. *See Form 8282 and the related Filing Instructions.*

Donor Acknowledgement. Acknowledgement of all gifts made to Hopsewee and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the gift acceptance committee of Hopsewee. *See IRS Publication 561 Determining the Value of Donated Property and IRS Publication 526 Charitable Contributions.*

Donor Recognition. Information related to the identity, gifts, and contributions of individual donors shall remain confidential to the extent requested by the individual donor(s) and agreed to by Hopsewee. Unless confidentiality is requested by a donor, the donor may be recognized by Hopsewee.

Confidentiality. Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by Hopsewee. Written reports of interviews and solicitations will be maintained in the donor or prospect records. Individual donor information to the extent confidentiality is requested by the individual donor and prospect information is confidential, and is to be used strictly by the Board and staff. Use of this information shall be restricted to Hopsewee's purposes only. Names of individual donors and/or donor prospects will not be provided by Hopsewee to other organizations, nor will any lists be sold or given to other organizations.

VII. Changes to Gift Acceptance Policy.

This gift acceptance policy has been reviewed and accepted by Board of Directors. The Board of Hopsewee reserves the authority to approve any amendments, changes to, waivers, or deviations from, and to interpret this policy.

VIII. IRS Tax Forms and Publications Related to Donations.

- Form 8282, Donee Information Return
- Form 8283, Noncash Charitable Contributions
- Publication 526, Charitable Contributions
- Publication 561, Determining the Value of Donated Property
- Publication 1771, Charitable Contributions -- Substantiation and Disclosure Requirements