



Amateur Radio Advancement Group

Gift Acceptance Policy

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I. Purpose

- A. This Gift Acceptance Policy (the "Policy") has been adopted by the Amateur Radio Advancement Group (the "Organization") Board of Directors to outline procedures for analyzing and accepting charitable gifts to the Organization for the benefit of the purposes of the Organization.

Principle 1: A gift shall not be accepted by the Organization without the prior consultation of the Board of Directors and unless it is compatible with the mission of the Organization and its programs.

Principle 2: The Organization shall encourage all donors to consult with their own independent advisors when appropriate, particularly in situations involving planned gifts or large gifts.

- B. While this document is intended to provide guidance to the Organization and the various Committees of the Board regarding acceptance of gifts, donors are ultimately responsible for ensuring that the proposed gift furthers their charitable, financial and estate planning goals. Therefore, each prospective donor is urged to seek the advice of independent legal and/or tax counsel in the gift planning process and the Organization shall take appropriate steps to so notify prospective donors. The Organization shall not give legal, accounting, tax, or other advice to prospective donors.



II. Payment of Fees Related to Gifts to the Organization

- A. Finder's Fees and Commissions
 - 1. The Organization shall pay no fee to any person as consideration for directing a gift to the Organization.

- B. Appraisals
 - 1. If the Organization believes that the non-cash gift has a value of five thousand dollars (\$5,000.00) or more, then the donor, at his/her sole cost and expense, should provide the Organization an appraisal by an Independent Qualified Appraiser as defined by the Internal Revenue Code.
 - 2. The donors should be notified at the time of receipt of the gift that the Organization will cooperate fully in all matters related to Internal Revenue Service (IRS) investigations of non-cash charitable gifts.

- C. Professional Fees
 - 1. The Organization will generally not pay fees incurred by donors for professional services in connection with the completion of a gift to the Organization, such as legal, appraisal and survey fees. The Organization may obtain and pay for its own legal, investment, financial planning, and accounting advice as it deems necessary.

III. Definitions

- A. Gift
 - 1. Basic Definition of Gift

An irrevocable charitable contribution to the Organization for the benefit of the purposes of the Organization, which is intended as a donation, bestowed voluntarily and without expectation of tangible compensation and for which no contractual requirements are imposed. Gifts usually take the form of cash, checks, securities, real property, or personal property and may be current or deferred.

 - 2. Generally No Quid Pro Quo

Gifts are not generally subject to an exchange of consideration or other contractual duties between the Organization and the donor, except for bargain sales and certain deferred gifts as set out in this Policy, although objectives may be stated and funds may be restricted to a specific charitable purpose acceptable to the Organization. Fundraising activities including special events may have a non-gift element; the value of the non-gift element will be determined and subtracted from the total amount to determine the contribution portion.



3. Examples of Non-Gift Transactions
 - a. A payment to or for a specific individual
 - b. A payment that is conditional on a future event or the substantial probability of return to the donor or another individual(s)
 - c. An involuntary payment on behalf of a charitable organization (e.g. a payment to a charity in lieu of a court fine.)
 - d. Expenses associated with conveying a gift (appraisal fees, shipping, insurance, etc.)

4. Accepting Gifts for the Benefit of Specific Individuals
 - a. A proposed transfer that is made with the condition that the proceeds will be spent for the personal benefit of a named individual or individuals is generally not deductible as a charitable contribution and not a gift. *This rule does not apply, however, to deferred gifts satisfying Internal Revenue Code requirements for tax deductibility, such as remainder interests in a personal residence or farm where donors retain a life interest.*
 - b. The key issue is whether the donor's intent is to make a gift for the ultimate benefit or the purposes of the Organization and the general public.
 - c. The donor may impose conditions that limit the recipients of the gift and still receive a charitable deduction, so long as the conditions of a gift are not an attempt to channel the proceeds to certain individuals and there is a sufficiently large charitable class.
 - d. Gifts that are made for communications or education projects, even when carried out by named individuals or Organizations (e.g. "upgrade repeater coverage under the direction of John Smith"), would generally be tax deductible and accepted by the Organization, since the ultimate beneficiary is the general public. However, gifts that are made "for repeater upgrades by John Smith in his absolute discretion" are a borderline case, since the IRS might find that giving uncontrolled discretion to a named individual would empower that individual to divert the grant to purposes deemed by the IRS to be personal.

5. Accepting Gifts from Organization Members to Support their Own Activities.

Organization Members may contribute to projects over which they are administrators. As with all expenditures from an organization project, it must support bona fide Organization activities and the expenditure must have benefit to the purposes of the Organization. These gifts cannot be used in a manner that would result in any direct or indirect personal benefit for the donor. The Organization shall not act as a conduit for funds where a tax deduction by a member is likely to be disallowed by the Internal Revenue Service.



- B. Grants. Grants are revenues received from individuals, industry, foundations, and other sources, for the support of the Organization programs and projects. Grants normally fall into two categories.
1. Non-specific Grants are those received in support of restricted programs and projects, but which do not result from a specific grant proposal, no specific resources or services are committed, and no accounting for the use of the funds is required.
 2. Specific Grants are those received in accordance with the terms of approved grant proposals for specific programs and projects. Commitments of the Organization's resources or services are made as a condition of the grant, and an accounting of the use of the funds may be required by the grantor.

IV. Gift Review and Acceptance

The Board of Directors of the Organization has a fiduciary responsibility for accepting or declining all gifts to the Organization. All Organization board members, officers, members, and volunteers shall follow the guidelines set forth in the Policy. The procedures to be followed with respect to the acceptance of various forms of gifts are described in more detail in Section IV of this Policy. Once the Organization has accepted a gift, it becomes Organization property and at such point the donor has not direct decision making power regulating the disposition, use or investment of the gift. The information and analysis necessary to reach a decision and accept a gift will vary depending on the nature of the gift. The Organization shall endeavor to reach a decision as quickly as possible and advise the prospective donor accordingly.

V. Types of Gifts and Authority and Procedures with Respect to Acceptance by the Organization

- A. Gifts to the Organization may be in the form of pledges, current gifts, or deferred gifts. A gift may be either unrestricted or restricted to a general area of use that contributes to the purposes of the Organization (e.g. 'emergency communications', 'education and training', etc.). Gifts with inappropriate restrictions – those which are not in the best interests of the Organization or may be such that the proposed gift may not be a charitable gift or subject to Organization to liability – shall not be accepted.
- B. If restrictions on an accepted gift should be rendered illegal, unreasonable or unable to be fulfilled, and if the donor(s) are unavailable to alter the account restriction, the Organization may consult with the appropriate professionals and may, if necessary and desirable, seek court approval to remove or modify such restriction(s). If termination of such a restriction(s) is sought, the Organization shall use such funds for a purpose that reflects as near as possible the original restriction. Restrictions shall be deemed unreasonable or unable to be fulfilled due to circumstances including, without limitation, the termination of an Organization



program or project, a surplus of funds from other sources to fulfill the designated purpose, the insufficiency or the restricted funds to fulfill the designated purpose when no funds from other sources are available to supplement the restricted funds, and the designated purpose is no longer consistent with the purposes of the Organization and its individual programs and projects.

The authority to accept various types of gifts and the procedures to be followed in each case are described below.

C. Pledges

1. Definition of Pledge. Pledges are commitments to give a specific dollar amount according to a fixed time schedule. All pledges shall be in writing.
2. Necessary Information. The following minimum information must exist to substantiate a pledge:
 - a. The amount of the pledge must be clearly specified;
 - b. There must be a clearly defined payment schedule;
 - c. The donor may not proscribe contingencies or conditions;
 - d. The evidence of the pledge should include words such as “promise”, “agree”, “will”, “binding”, “legal.” It should not contain words such as “intend”, “plan”, “hope”, or “may”, and
 - e. The donor must be considered financially capable of making the gift.

D. Current Gifts

Current gifts may take the form of:

- Cash Gifts
- Gifts in Kind
- Personal Property
- Real Property
- Securities

A description of each and the procedures regarding the acceptance of such gifts are set forth below in this Section.

1. Cash Gifts

- a. Cash gifts may take the form of currency, check, or wire transfers. All gifts of cash or cash equivalents without significant donor restrictions may be accepted by the appropriate Organization representative as determined by the Board of Directors. There is no minimum gift level for unrestricted donations of cash or cash equivalents. Restricted



gifts of cash or cash equivalents will require other documentation as approved by the Board of Directors.

- b. Currency is accepted for security reasons only by hand delivery to an officer of the Organization. A receipt will be given by the officer at the time of delivery.
- c. Checks should be made payable to **Amateur Radio Advancement Group** and in no event shall be made payable to an employee, agent, or volunteer for the credit of the Organization. The Organization may accept checks that are payable to **ARAG** or **ARA Group** when such checks are clearly intended as charitable gifts.

2. Gifts in Kind

- a. Gifts in Kind are noncash donations of materials, consulting services, executive on loan programs or long lived assets. Gifts in kind might include such items as equipment, software, printed materials, food or other items used for hosting dinners, etc. There is no minimum gift level for gifts in kind.
- b. Organization officers can accept gifts in kind that will be sold immediately. Gifts in kind that will not be sold must be accepted directly by the Organization. Donors should directly contact an Officer or Board member to arrange for such a donation.
- c. Gifts in Kind of automobiles (or other vehicles) to be used by the Organization shall only be accepted upon approval by the Board of Directors. Gifts in Kind of automobiles to be sold once received should be sold through a third party agent. Proceeds from the sale may be deposited into an Organization account.

3. Personal Property

- a. The Organization may consider gifts of personal property both tangible and intangible, including but not limited to boats, motor vehicles, computer hardware and software, communications and electronic equipment only after a review by the Organization Board of Directors indicates that the property is either readily marketable and free and clear of liens and encumbrances or needed by the Organization for use in a manner which is related to purposes of the Organization.
- b. It is the policy of the Organization to sell or otherwise dispose of all gifts of personal property, unless the items can be used by the Organization in a manner related to its purposes. The Organization's intention to either resell the property or to retain and use it to further its charitable activities shall be communicated to the donor in writing at the time of the gift.



- c. An officer of the Organization as determined by the Board can accept personal property.
- d. Upon acceptance of personal property, a written and signed receipt containing a detailed description of the property (including make, model, serial number, condition, etc.) will be provided to the donor. A copy of the receipt will also be provided to the Secretary of the Organization.

4. Real Property

- a. Real property includes improved or unimproved land, personal residences, farmland, commercial property, bargain sales of real property, conservation easements, rental property, mineral interests, and time shares. It is the Organization's intent to dispose of all gifts of real estate as expeditiously as possible. This intent will be communicated to donors when the Organization receives notification of the donor's intent to gift real property.
- b. In regards to unrestricted gifts of property, the Organization reserves the right to retain the property, rather than immediately selling the property.
- c. No gift of real property shall be accepted by the Organization without the approval of the Board of Directors. The Board of Directors will review and may approve the acceptance of a gift of real property only after a thorough examination of the criteria listed below:
 - i. Market Value and Marketability. The Organization must receive a current appraisal (not older than 60 days) of the fair market value of the property and interest in the property the Organization would receive if the proposed gift were approved. The appraisal shall be done in accordance with Internal Revenue Service ("IRS") requirements and should be performed by Member Appraisal Institute ("MAI"), Senior Residential Appraiser ("SRA"), or Senior Real Property Appraiser ("SRPA") at the donor's expense. The appraisal and other information must demonstrate clearly and convincingly that there is a market for the property under consideration and that the property can be sold within a reasonable period of time. Generally, a representative of the Organization will physically view and evaluate the property. In consideration of the value placed on the property by the donor's appraisal, the Organization will



attempt to sell at a reasonable price in light of current market conditions.

- ii. Environmental Risks. An environmental assessment will be made for all gifts of real estate. The appropriate level of assessment will be determined based on the review of each individual property. (i.e. Phase I, Phase II, Phase III, or none if the property is highly unlikely to carry environmental risks.) In some cases an additional environmental indemnity agreement may be required.
 - iii. Limitations, Encumbrances and Title. The donor must disclose the existence of mortgages, deed of trust, restrictions, reservations, easements, and liens of any type or other limitations on the title as well as current zoning and provide income statements where appropriate. Encumbrances must be removed prior to the acceptance of the gift of real estate except in very unusual circumstances approved by the Board of Directors and where the Organization's equity in the real estate will substantially exceed the encumbrances. The Organization may consider obtaining a survey. Prior to acceptance, title insurance must be obtained for the property. The Organization will also consider whether there are any requirements for compliance with the American with Disabilities Act.
 - iv. Carrying Costs. The existence and amount of any carrying costs, such as property owner's association dues, maintenance fees, taxes and property and liability insurance, must also be considered.
- d. The gift will be completed by the execution and delivery of a deed of gift or other appropriate conveyance document to the Organization. The costs associated with the conveyance and delivery of the gift, including, but not limited to, recording fees, a current survey, title insurance and/or an attorney's title opinion, will generally be paid by the donor. If necessary, these costs will be reimbursed through the net proceeds of the sale.

5. Securities

- a. Publicly Traded Securities (stocks, bonds, and mutual funds) traded on major U.S. and foreign exchanges may be accepted by an Organization officer as determined by the Board of Directors unless the gift is restricted. Generally, the Organization will immediately sell this type of security.
- b. Closely Held Securities and Other Business Interests.



- i. Gifts of closely-held securities will be accepted only upon approve of the Board of Directors pursuant to the policies applicable to gifts of closely-held securities in effect from time to time.
- ii. A donor of closely-held securities must provide information, assistance and copies of the issuing company's documents as may be requested by the Organization from time to time, necessary for review of the potential gift.
- iii. The Organization reserved the right, after sufficient evaluation, to either hold gifted closely-held securities as an investment or to convert the closely-held securities into cash as soon as possible subject to any applicable transfer restrictions. While it is permissible for the donor or the issuing company to repurchase the securities at fair market value, there can be no redemption or other buy-back agreement, either express or implied, prior to making the gift. The Organization reserves the right to transfer any gift to a wholly-owned entity or an affiliated nonprofit organization at its sole discretion.
- iv. If proposed gift of closely-held securities will make the Organization a majority shareholder in the issuing company, either independently or as part of a voting group, the Organization will either not accept the gift, or accept a smaller minority interest.

E. Deferred gifts include:

Charitable Bequests

Beneficiary Designations

Gifts of Life Insurance

Personal Residence, Vacation Homes, or Farm with a Retained Life Estates

1. All deferred gifts that are funded by real estate must be approved by the Board of Directors. See Section V.D.4 for further details.
2. Charitable Bequests
 - a. Donors can make charitable bequests to the Organization in wills or living trusts. A bequest of cash or publicly traded securities is always acceptable. A bequest of closely-held securities, real estate, tangible personal property, or other assets must be approved or declined by the Organization as described in this Policy.



3. Beneficiary Designations

- a. Donors can name the Organization as a beneficiary of certain types of “beneficiary designation” assets. Some examples of accepted assets are a donor’s life insurance policies and qualified retirement plans, such as 401(K) plans, 403(b) plans and Individual Retirement Arrangements (IRAs).

4. Gifts of Life Insurance

- a. The Organization shall receive life insurance gifts only in the form of a Beneficiary Designation. If the Organization is named beneficiary of a life insurance policy (and does not own the policy), review of the gift is not required.
- b. **It is the policy of the Organization to not accept a gift of insurance when and the Organization is the beneficiary and owner.**

5. Retained Life Estates

- a. Donors can receive a charitable income tax deduction by making a gift to the Organization of their home, vacation home, or farm while retaining full use and rights to the property during their lifetime. (The donor retains a “life estate” and the Organization receives the “remainder interest”.)
- b. The gift is created by transferring a deed to the Organization.
- c. Donors must sign a separate “Life Estate Agreement” with the Organization to clarify the responsibility for maintenance, taxes, insurance, and other issues.
- d. Donors must have all documents reviewed by their own attorneys.
- e. All the normal review and gift acceptance procedures for gifts of real estate apply to gifts of life estate/remainder interest deeds.

VI. Review and Amendment of this Policy

The Board of Directors of Amateur Radio Advancemnt, Inc. is responsible for formulating, implementing, and amending this Policy. To amend the Policy, any member of the Board of Directors may prepare a written amendment which shall be submitted to the Board of Directors for review and approval.

Additionally, the President shall have the authority to amend the Policy to comply with law whenever it becomes inconsistent with the Internal Revenue Code (the “code”), the Treasury Regulations promulgated thereunder, or other applicable state or federal laws. The President shall provide a written report to the Board of Directors explaining the reason for any change to this Policy. The President shall also submit any changes or amendments for approval at



the next meeting of the Board of Directors. All such changes made by the President are subject to the power of the Board of Directors to accept or modify such amendments.