

Grantee charities may find that adoption and implementation of a Gift Acceptance Policy will provide reassurance to grantors. In any event, the charity will want to review these policies carefully and modify them so they accurately reflect the particular culture and practices of the charity.

GIFT ACCEPTANCE POLICY

ZER01: The Art & Technology Network

ZER01, a not-for-profit organization organized under the laws of the State of California and exempt as a public charity under Section 501(c)(3) of the Internal Revenue Code, encourages the solicitation and acceptance of gifts for purposes that will assist ZER01 to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to ZER01 or for the benefit of any of its programs.

I. Purpose of Policies and Guidelines

The Board of Directors of ZER01 and its Executive Director and staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of ZER01. It is the purpose of these Policies and Guidelines to govern the acceptance of gifts (including grants) by ZER01 and to provide guidance to prospective donors and their advisors when making gifts to ZER01. The provisions of these Policies shall apply to all gifts received by ZER01 for any of its programs or services.

II. Restrictions on Gifts

ZER01 will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. ZER01 will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the charitable trust of ZER01, gifts that are accompanied by an improper economic benefit to the donor such as a gift that is conditioned on a commercial preference to the donor or affiliated company, or gifts that vest the donor with inappropriate control such as a gift that requires ZER01 to hire a specific person or take some other unacceptable action. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors.

III. Gift Vehicles

ZER01 will accept gifts through the following gift vehicles:

- Outright donations
- Testamentary bequests
- Charitable remainder trusts
- Charitable lead trusts

ZER01 does not offer the following gift vehicles:

- Charitable gift annuities
- Pooled income funds

IV. Assets

ZER01 is authorized to accept the following assets, subject to these Policies and Guidelines.

Cash or Cash Equivalents	Acceptable.
Charitable Pledge Agreements	Acceptable if payable only in assets listed herein.
Publicly Traded Securities	Acceptable. ZER01 shall promptly sell any contributed securities in accordance with ZER01's investment policies.
Closely-Held Securities and	Acceptable. ZER01 shall not accept securities and other intangible assets which may not be sold, have no value, or may result in additional liability to ZER01.
Tangible Personal Property	Acceptable, subject to review by the Board of Directors. ZER01 shall not offer to value the contributed property. The donor shall sign a statement of ownership and disclose any liens on the property. ZER01 will not accept any property subject to a restriction on ZER01's ability to use, sell, or otherwise deal with the property, as it deems necessary.
Life Insurance	Acceptable. ZER01 may accept the gift of a life insurance policy, provided that ZER01 is the owner and the irrevocable beneficiary of the policy. If the policy is not fully paid-up, the donor shall be encouraged to make annual gifts to ZER01 sufficient to cover additional premiums. ZER01 shall have the right to retain the life insurance policy, cash it in, or otherwise make use of its value.
Real Estate	Acceptable subject to review by the Board of Directors. ZER01 will not accept any real estate subject to a restriction on ZER01's ability to use, sell, or otherwise deal with the property as it deems necessary. The basic policy of ZER01 is to sell all contributed property as soon as practical. Costs related to acceptance of gifts of real property such as legal fees, surveying costs, hazardous waste surveys, etc., will be allocated as mutually agreed and will not affect the recorded value of the gift. Appraisal costs are the responsibility of the donor.

In-Kind Gifts

Acceptable if approved by the Executive Director. In-kind contributions include gifts of supplies, equipment, services and the like which are beneficial to ZER01. Costs incurred as a result of accepting the gift, such as transportation and storage, must be approved by the Executive Director. The CEO shall report all in-kind gifts to the Board.

ZER01 shall accept all bequests of real estate unless the Board of Directors determines otherwise. ZER01 shall review all proposed *inter vivos* gifts of real estate and shall consider such factors as sale and holding costs, current and expected future value, encumbrances, liabilities, title, restrictions, and any potential environmental issues prior to acceptance.

Prior to accepting an *inter vivos* gift of real estate, the following steps will generally be taken:

- Complete a profile of the property.
- Obtain a copy of the deed, any encumbrances, leases, and current tax bill.
- Consider obtaining a title report.
- Inspect the property.
- Consult with a real estate advisor as to marketability.
- Evaluate the potential for any environmental liabilities. Consult with an environmental engineer or comparable advisor if necessary.

V. Miscellaneous Provisions

- A. Executive Director.** Except as provided in Article II above, the Chief Executive Officer shall have discretion and authority to accept unrestricted gifts, allowable under these Policies and Guidelines, of a value up to \$1,000,000. As to restricted gifts, the Executive Director shall have discretion and authority to accept restricted gifts of a value up to \$5,000. Anything above \$5,000 needs to be reviewed by the Executive Committee and later approved by the Board. A list of all gifts needs to be communicated to the full Board on a monthly basis.
- B. Legal counsel.** The Executive Director may seek the advice of legal counsel where appropriate and shall seek the advice of legal counsel in all matters pertaining to the acceptance of a gift which may have adverse legal, ethical, or policy consequences to ZER01. All prospective donors shall be urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning implications.
- C. Securing appraisals and legal fees for gifts to ZER01.** ZER01 shall not appraise property. It shall be the responsibility of the donor to secure an appraisal where required. ZER01 shall not pay the legal fees of the donor. The donor shall pay any fees for appraisals and legal advice required.

- D. Valuation of gifts for development purposes.** ZER01 shall record a gift received by ZER01 at its valuation for gift purposes on the date of gift, following generally accepted accounting principles (GAAP).
- E. Responsibility for IRS filings upon sale of gift items.** ZER01 is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold by ZER01 within two years of receipt where the charitable deduction value of the item was \$5,000 or greater. ZER01 must file such form within 125 days of the date of sale or disposition of the asset.
- F. Written acknowledgment.** Written acknowledgment of all gifts made to ZER01 and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of ZER01.