

## SETTLEMENT MUSIC SCHOOL GIFT ACCEPTANCE POLICY

Settlement Music School (“Settlement”) solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. Settlement urges all 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 Settlement for the benefit of any of its operations, programs, or services.

*Use of Legal Counsel*—Settlement will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Gifts of securities that are subject to restrictions or buy-sell agreements.
- B. Documents naming Settlement as trustee or requiring Settlement to act in any fiduciary capacity.
- C. Gifts requiring Settlement 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.

*Restrictions on Gifts*— Settlement will not accept gifts that (a) would result in Settlement violating its mission, (b) would result in Settlement 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, or (d) would result in any unacceptable consequences for Settlement. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Central Board of Directors, in consultation with the Chief Executive Officer (CEO).

*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, 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 Settlement's Investment 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 Executive Committee.

- *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.* Donors are encouraged to make bequests to Settlement under their wills, and to name Settlement as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.

*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 Executive 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? 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.* Settlement will accept gifts of life insurance where Settlement is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- *Real Estate.* All gifts of real estate are subject to review by the Executive Committee. Prior to acceptance of any gift of real estate other than a personal residence, Settlement shall 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 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?

*Endowment Gifts* - The minimum amount to establish a permanent endowment fund is \$50,000. Gifts of more than \$50,000 may be designated by the donor to the permanently restricted endowment and the purpose must be accepted by the Central Board of Trustees.