

**New Hampshire Historical Society  
Gift Acceptance Policies  
Approved by the Board of Trustees  
September 8, 2011**

**Organization and Purpose of the New Hampshire Historical Society**

Founded in 1823, the New Hampshire Historical Society is an independent not-for-profit organization incorporated under the laws of the State of New Hampshire and organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The purpose of the Society is to educate a diverse public about the significance of New Hampshire's past and its relationship to our lives today. In support of this mission, the Society collects, preserves, and interprets materials pertaining to New Hampshire history. The Society serves thousands of children and adults annually through its research library, museum, educational programs, and publications.

**Purpose of Gift Acceptance Policies and Guidelines**

The New Hampshire Historical Society solicits gifts to the Society to help further and fulfill its mission. The development program of the Society is charged with increasing charitable funds to help support the Society's mission and vision, including operating income, membership, capital gifts, and restricted and unrestricted endowment funds. Planned gifts are an important part of the development program.

These policies and procedures seek to set parameters for various types of planned gifts which will be accepted by the Society, establish standards of conduct for staff and board members responsible for negotiating and soliciting planned gifts, and to educate and inform existing and prospective donors and their advisors about various charitable giving arrangements. It is expected that these policies will be reviewed and updated periodically.

It is important to note that the New Hampshire Historical Society does not give specific legal or financial advice, and encourages prospective donors to seek independent counsel when considering a planned gift.

**General Gift Acceptance Policies**

It is the policy of the New Hampshire Historical Society to:

- Exceed its stakeholders' expectations for ethical and financial standards;
- Respect and protect the intent of donors and their gifts and gift arrangements;
- Maintain confidentiality of information, unless permission is given by the donor or his/her family;
- Offer diverse opportunities for philanthropic support;
- Communicate philanthropic giving opportunities to the public;
- Abide by the Model Standards of Practice for the Charitable Gift Planner, as adopted and amended by the National Committee on Planned Giving;
- Abide by all local, state, and federal laws.

The Society reserves the right to decline gifts that are not in keeping with its mission and vision, that do not conform to these policies and procedures, or that adversely affect its financial status. The Society also reserves the right to determine how gifts will be credited and recognized, with due consideration given to donor preferences and the opinion of donor advisors.

It is the preference of the Society, whenever possible, that a gift agreement be signed by the donor and the New Hampshire Historical Society, which will serve as the basis of a mutual understanding of the donor's intentions. In the absence of such an agreement, the Society will strive to respect the implied intent of the donor.

### **Conflict of Interest**

All prospective donors are encouraged to seek advice and assistance from independent legal, financial, or other professional advisor when considering a planned gift. A donor's interests are best protected when they have a full understanding of the tax, financial, legal, and estate planning consequences of a gift before its completion. Donors are also encouraged to discuss their charitable intentions with their family.

The business relationship of any provider with the New Hampshire Historical Society should be disclosed to the donor, e.g., that a professional advisor serves in a volunteer capacity for the Society. Members of the board of trustees and members of standing and advisory committees must conduct their personal affairs in such a manner as to avoid any possible conflict of interest. (See Conflict of Interest Policy)

### **Use of Legal Counsel**

The New Hampshire Historical Society will seek the advice of paid or pro bono legal counsel in matters relating to the design and acceptance of gifts whenever necessary or appropriate. The purpose of legal counsel is to protect the Society's interests and assets. Review by legal counsel is recommended for situations such as:

- Gifts of real estate;
- Gifts of closely held stock and interests in partnerships and limited liability companies;
- Gifts involving contracts, agreements or other legal documents requiring the Society to undertake or assume an obligation, including bargain sales, trusts naming the Society as trustee, or gift annuities;
- Transactions involving a potential conflict of interest, such as a trustee acting as a sales agent in a transaction;
- Such other circumstances as deemed appropriate by the executive director, the director of development, the executive committee, or the board of trustees.

### **Gift Negotiation and Acceptance Authority**

The executive director and the director of development will be authorized to negotiate gift agreements on behalf of the Society. The approval of gift agreements and related documentation will be reviewed and approved by the development committee. Gift arrangements which are considered exceptions, i.e., outside the scope of this policy, will be reviewed by the executive committee and presented to the board of trustees for action.

### **Donor Responsibility**

It is the responsibility of the donor to obtain and pay for any appraisals, financial, tax or legal advice, environmental assessments, or other documents required by the Internal Revenue Service or the Society. Any challenges to tax deductibility or tax matters are the responsibility of the donor.

It is also the responsibility of the donor to seek advice, prior to signing or completing any documents, from professional advisors regarding the tax, financial, and legal consequences to that donor of making the contemplated planned gift.

The donor is encouraged to disclose his or her intent to the New Hampshire Historical Society. The Society prefers that donors disclose their gifts, so that the donor's wishes, intentions, and the purpose of the gift can be discussed and understood by all parties, and to allow the Society to thank and recognize the donor during his or her lifetime. Appropriate recognition of the donor is an important component of the Society's stewardship of donors.

Donors may remain anonymous to the public. In certain cases, however, the IRS Form 990, Schedule B requires name, address, date, and amount of donation for contributions over a certain dollar amount. The Society will inform the donor if their gift triggers this reporting requirement.

### **Valuation and Crediting of Gifts and Pledges**

For public recognition purposes, planned gifts will be recognized by the New Hampshire Historical Society at the full fair market value of the property as of the date of the gift. Pledges, trusts held elsewhere, and revocable gifts such as bequests, will be recognized as gifts at the full value of the commitment. Transaction costs for selling publicly traded stock will be charged as an expense of the Society, once the Society becomes owner of the stock.

Recognition of gifts is separate from and different than crediting gifts for accounting purposes. For accounting purposes, generally accepted accounting principles, such as those recommended by the Financial Accounting Standards Board (FASB) will be used to value gifts on the Society's balance sheet. Intentions and revocable gifts will not be included on the balance sheet until such time as the funds are received by the Society. Present value calculations or other reasonable methods of calculating gift expectancies will be used to report trusts held elsewhere and gift expectancies to the board and appropriate parties. Publicly traded securities will be valued at the average of the high and low sale price on the date the security is transferred into the Society's name or account. Closely held securities, real estate, and other types of real property will be valued based on a written appraisal from a qualified party, as agreed to by the donor and the Society.

### **Restrictions on Gifts**

The New Hampshire Historical Society encourages unrestricted gifts of any amount. All unrestricted bequest gifts shall be automatically invested in the Society's endowment, unless otherwise directed by the board of trustees. The Society, however, reserves the right

to decline restricted gifts that may cause a hardship. Recognizing that many donors have a specific purpose intended for their planned gift, restricted gifts to the New Hampshire Historical Society will be accepted under the following conditions:

- The restriction must be compatible with the overall mission of the Society.
- The restriction shall not impede the ability of the Society to acquire gifts from other sources.
- The restriction shall not place undue burden on the Society's resources.
- The restriction shall not subject the Society to adverse publicity.

### **Donor Recognition and Named Gifts**

All planned giving donors are important to the Society. Their gifts will be celebrated and recognized, whether the gifts are revocable or irrevocable, restricted, or unrestricted. Donors of planned gifts will be recognized in Society publications and inducted into the Society's planned giving society—the Edward and Julia Tuck Society. Appropriate benefits and privileges will be offered to members of the Tuck Society, in keeping with ethical guidelines and IRS regulations.

The Society encourages unrestricted gifts to its endowment. Unrestricted gifts to the endowment of a minimum contribution of \$100,000 can be established as a named fund to recognize the donor, honor another family member, or memorialize an individual or family.

The Society also accepts restricted gifts to its endowment and recognizes that donors may have a special interest in supporting core mission areas such as education, historical research, publications, acquisition and preservation for which there are already permanently restricted endowment funds established. The Society gladly accepts restricted endowment gifts in any amount to add to these existing funds.

The Society further recognizes that donors may wish to permanently restrict their gift to new uses that are not currently supported by an established endowment fund. For the Society to accept such a permanently restricted gift as a separately named fund requires a minimum contribution of \$250,000. Donors of all planned gifts, but in particular, restricted gifts, are encouraged to sign a gift agreement describing the use of the funds, avoiding unreasonable limitations or restrictions, and providing a clause which gives the Society the flexibility to use the funds for a similar purpose if the original purpose is no longer possible or practical.

Minimum dollar threshold amounts for the establishment of named funds will be reviewed every three years by the development committee with recommendations to the board.

### **Role of the Society**

Staff and volunteers of the Society help facilitate and steward gifts. Staff and volunteers are available to meet with the prospective donors and their legal, tax, or financial advisors to discuss areas of mutual interest without obligation. The Society does not offer, nor does it provide, legal, financial, or tax advice. Tax calculations and gift scenarios are available from the Society as illustrations, as are explanations of various gift vehicles; however,

definitive guidance regarding the tax consequences of a gift is the responsibility of the donor and his or her advisors.

It is the policy of the Society not to act as trustee of a gift.

The director of finance of the Society is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Society when the charitable deduction value of the item is more than \$5,000. The Society must file this form within 125 days of the date of sale or disposition of the asset.

Acknowledgment of all gifts made to the Society and compliance with the current IRS requirements in acknowledgement of gifts shall be the responsibility New Hampshire Historical Society.

### **Types of Gifts**

The following gifts are acceptable:

- Cash
- Tangible Personal Property
- Securities
- Real Estate
- Remainder Interests in Property
- Oil, Gas and Mineral Interests
- Bargain Sales
- Life Insurance
- Charitable Gift Annuities
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Retirement Plan Beneficiary Designations
- Bequests
- Life Insurance Beneficiary Designations
- Gifts of items to the collections (Please see the collections policy for more information.)

The following criteria govern the acceptance of each gift type:

- Cash – Cash is acceptable in any form. Checks shall be made payable to the New Hampshire Historical Society.
- Tangible Personal Property – All gifts of tangible personal property shall be examined in light of the following criteria:
  1. Does the property fulfill the mission of the New Hampshire Historical Society?
  2. Is the property marketable?
  3. Are there any undue restrictions on the use, display, or sale of the property?
  4. Are there any carrying costs for the property?
  5. Is there an appraisal by an independent, qualified appraiser funded by the donor not less than six months old?

The Society's executive committee and/or board of trustees shall make the final determination on the acceptance of other tangible property gifts. The Society cannot accept property to fund gifts to the pooled income fund, and may have restrictions on its use to fund a charitable gift annuity or charitable remainder trust.

- Securities – The Society can accept both publicly traded securities and closely held securities.
  - Publicly Traded Securities – Marketable securities may be transferred to the Society's brokerage account. As a general rule, all marketable securities are sold upon receipt. Any restrictions on marketable securities trigger review by the Society's executive committee.
  - Closely Held Securities – Closely held securities can be accepted subject to the approval of the Society's executive committee. If potential problems arise upon review, further review and recommendation by an outside professional may be sought.
- 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, the Society 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, the Society shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor.
  - When appropriate, a title binder shall be obtained by the Society 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 reviewed by the Society's legal counsel and approved by the Society's board of trustees. Criteria for the acceptance of the property shall include:
    - Is the property useful for the purposes of the Society?
    - 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?
  - Preference will be given by the trustees to placing all gifts of real estate on the market for sale as soon as practicable.
  - If the property is listed on the National Register of Historic Places or the State of New Hampshire Register of Historic Places—or is eligible for such a listing—then the Society shall first negotiate and donate a preservation easement to a qualified organization, such as the New Hampshire Preservation Alliance or Historic New England, prior to selling the asset.
- Remainder Interests in Property – The Society will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions listed 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, the Society may use the

property or sell it. Where the Society receives a gift of the remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

- Oil, Gas and Mineral Interests
- Bargain Sales – The New Hampshire Historical Society will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Society. All bargain sales must be reviewed and recommended by the executive committee and approved by the board of trustees. Factors used in determining the appropriateness of the transaction include:
  - The Society obtains an independent appraisal substantiating the value of the property.
  - If the Society assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
  - The Society must determine that it will use the property, or that there is a market for the sale of the property, allowing sale within 12 months of receipt.
  - The Society must calculate the costs to safeguard, insure, and maintain the property (including property tax, if applicable) during the holding period.
- Life Insurance – The New Hampshire Historical Society 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 is valued at its cash surrender value upon receipt. If the donor contributes future premium payments, the Society 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, the Society may:
  - Continue to pay the premiums;
  - Convert the policy to paid up insurance; or
  - Surrender the policy for its current cash value.
- Charitable Gift Annuities – The New Hampshire Historical Society may offer charitable gift annuities. The minimum gift for funding an annuity is \$25,000. The Society may make exceptions to the minimum. The minimum age for life income beneficiaries is 65. In the case of a two-life annuity, the minimum age applies to the younger of the two annuitants. Deferred annuities will also be considered with payments beginning at the minimum age of 65. The New Hampshire Historical Society uses the American Council of Gift Annuities rates. Annuity payments may be made on a quarterly, semi-annual, or annual schedule.
- Charitable Remainder Trusts – The Society may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the executive committee. The Society will not accept an appointment as trustee of a charitable remainder trust.
- Charitable Lead Trusts – The Society may accept designation as income beneficiary of a charitable lead trust with the approval of the executive committee. The Society will not accept an appointment as trustee of a charitable lead trust.
- Retirement Plan Beneficiary Designations – Donors and supporters of the New Hampshire Historical Society are encouraged to name the Society as beneficiary of their retirement plans. Such designations are not recorded as gifts to the Society

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 the gift may be recorded at the time the gift becomes irrevocable.

- Bequests – Donors and supporters of the New Hampshire Historical Society are encouraged to make bequests to the Society under their wills and trusts. Such bequests are not recorded as gifts to the Society 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 the gift may be recorded at the time the gift becomes irrevocable.
- Life Insurance Beneficiary Designations – Donors and supporters of the New Hampshire Historical Society are encouraged to name the Society as beneficiary or contingent beneficiary of their life insurance policies. Such designations are not recorded as gifts to the Society 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 the gift may be recorded at the time the gift becomes irrevocable.

### **Changes to the Policies**

The board of trustees may amend these policies from time to time to reflect changes in state or federal law, IRS regulations, or charitable practice.

Copies of the policies are available at [nhhistory.org](http://nhhistory.org) or upon request by contacting the New Hampshire Historical Society at 603-228-6688.

Approved by the board of trustees of the New Hampshire Historical Society on June 21, 2007, revised on March 20, 2008, September 10, 2009, and September 8, 2011.