Gift Acceptance Guidelines

Purpose of the Guidelines

The Barnes Foundation (the “Barnes”) welcomes gifts to support and further its mission. These guidelines have been adopted in order to provide clarity about the process for review and acceptance of gifts, and to ensure that all accepted gifts are in the best interests of the Barnes, and that the Barnes has the capacity and resources to steward the gift and meet any obligations it may have to the donor. These guidelines govern the acceptance of current and deferred gifts, pledges, bequests and planned gifts. The Board of Trustees adopted the following guidelines effective as of June 13, 2016, and amended on September 25, 2018.

Gift Review Committee

Except as otherwise specified in these guidelines, gifts shall be reviewed and approved by the Barnes’s Gift Review Committee (the “Gift Review Committee”), which shall be composed of the Chief Financial Officer, the Director of Finance, the Deputy Director for Advancement, and the General Counsel, and such other staff members as the President and Executive Director may appoint. As indicated herein, certain proposed gifts require the approval of the Board of Trustees of the Barnes (the “Board of Trustees”) or the Executive Committee of the Board of Trustees (the “Executive Committee”).

Compliance with Tax Laws and Requirements

The Barnes shall comply with all tax laws and other legal requirements regarding gifts.

The Barnes will not knowingly facilitate a donor claiming an improper tax deduction or other benefit in connection with a gift to the Barnes. No proposed gift shall be accepted if it generates an improper “private benefit” for the donor or if the proposed gift is an “excess benefit transaction” (as defined under section 4958(c) of the Internal Revenue Code of 1986, as amended). The General Counsel will review of proposed gifts with unusual structures or aspects to ensure that the Barnes will not knowingly facilitate an improper tax or other benefit.

The Barnes shall comply with all Internal Revenue Service reporting requirements, including, upon a donor’s request, the completion of the donee acknowledgment on IRS Form 8283 and, when applicable, the filing of IRS Form 8282.

Appraisals and Donor Advisors

Donors shall be responsible for determining whether an appraisal of a proposed gift is necessary for their own tax filing purposes, and to obtain one if so. The Barnes shall not select, hire or pay for such an appraisal, nor shall it provide such an appraisal itself.

Donors will be advised that the Barnes cannot offer legal or tax advice to them, and that they should determine whether they require independent legal or tax advice in advance of making a gift to the Barnes.
Receipts

The Barnes acknowledges charitable contributions in writing as required by law. Receipts are issued to donors for gifts that qualify for income tax charitable deductions. When the Barnes provides goods and services to the donor in connection with a gift, the receipt for such gift includes a description of such goods and services, states the Barnes’s good-faith estimate of the value of such goods and services, and indicates the amount of the gift that is tax deductible. Any acknowledgements of gifts that do not qualify for income tax charitable deductions, such as volunteer time or donated professional services, loans of property, free advertising or discounts offered to the Barnes will not include receipts that suggest that such gifts may be tax deductible.

Gift Restrictions

The Barnes accepts gifts dedicated to activities currently undertaken or planned by the Barnes, including without limitation, collection care, educational activities, exhibitions, as well as endowments supporting any such activity. Proposed gifts dedicated to activities not presently contemplated by the Barnes shall be referred to the President and Executive Director and the Gift Review Committee. The Barnes generally does not accept securities that are subject to restrictions on sale or liquidation; any such proposed gift will be referred to the Gift Review Committee, which will decline the gift if the restrictions are inconsistent with the Barnes’s mission, institutional policy, public policy or the law.

Types of Gifts

- Gifts of Cash or Publicly-Traded Securities

  The Barnes accepts unrestricted gifts of cash and publicly-traded securities. Such gifts may be accepted on behalf of the Barnes by the President and Executive Director, the Deputy Director for Advancement, the Director of Development and authorized members of the Development department, the Chief Financial Officer, the Director of Finance, or the General Counsel.

  Benefits provided by the Barnes to a donor in consideration of a gift, including benefits associated contributions to leadership committees, and sponsorships, shall be reviewed by the appropriate member of the Development department and the General Counsel to ensure proper documentation of the tax deductible portion of the gift is included in the donor’s receipt. Membership benefits shall be reviewed by the General Counsel on an annual basis or upon a significant change of membership benefits. Except in unusual circumstances, such gifts shall not be reviewed by the Gift Review Committee.

- Donor-Advised Funds and Private Foundations

  The Barnes accepts gifts from donor-advised funds and private foundations. However, where benefits (including membership) are provided in return for a contribution from a donor-advised fund or private foundation and the donor does not
waive the benefits, the Barnes cannot sign an acknowledgement representing that no goods or services were provided in return for the contribution, even if the individual pays separately for the non-deductible portion. In such circumstances, the Barnes will issue a receipt stating that goods and/or services were received and indicating both the tax-deductible and non-deductible portion of the gift.

In the event that the Barnes receives a contribution from a donor-advised fund, which indicates that the contribution has been advised by one or more individuals who have outstanding pledges to the Barnes, the contribution will be applied against such outstanding pledge, unless the donor-advised fund or the pledger inform the Barnes that the contribution should not be so applied.

However, the Barnes will not apply a grant or contribution from a private foundation in satisfaction of legally-binding pledge obligation of any individual, unless the private foundation affirmatively states its intention to satisfy the pledge.

- **Life Income Gifts**

  Proposed life income gifts will be reviewed for acceptance under the guidelines established, as appropriate, by the Deputy Director for Advancement or the Barnes’s planned giving officer, in consultation with the Gift Review Committee.

  In determining whether to accept a life income gift (i.e., a gift in which the donor receives income from the gift, the Barnes must consider (1) the amount of the proposed gift, (2) the nature of the funding assets, (3) the costs of managing and administering the gift, (4) the payout rate, (5) the minimum age of the beneficiaries, (6) the number of beneficiaries, and (7) any registration or other legal requirements on the Barnes. The Barnes shall not act as trustee of any charitable remainder trust or charitable lead trust.

- **Life Insurance**

  The Barnes may accept gifts of paid-up insurance provided that all rights and incidents of ownership are irrevocably transferred by the donor to the Barnes. The Gift Review Committee shall review on a case-by-case basis the circumstances under which the Barnes may accept partially paid-up policies where continuing premiums are due. Notwithstanding the foregoing, the Barnes may be named primary or secondary beneficiary of any life insurance policy, as well as any retirement account or other annuity.

- **Gifts of Closely-Held Stock or of Interests in Partnerships, Subchapter S Corporations or Limited Liability Companies**

  In considering whether to accept any gifts of closely-held stock, interests in partnerships, subchapter S Corporations or limited liability companies, the Gift Review Committee shall thoroughly examine all aspects of the proposed gift, including (1) the value of the proposed gift (potentially obtaining an independent
appraisal), (2) the marketability of the proposed gift, (3) any restrictions on transfer, (4) whether the proposed gift will generate unrelated business taxable income, and (5) whether acceptance of the proposed gift could expose the Barnes to liability.

- Gifts of Tangible Personal Property

Proposed gifts of tangible property, including books to the library, archival material, may be added to the Barnes’s collections of similar material or, with the consent of the donor, sold to benefit the Barnes.

In considering whether to accept a proposed gift of tangible personal property the Barnes shall consider (1) whether the proposed gift is related to the Barnes’s mission (e.g., resources for the Barnes’s education program or books for the library), (2) the financial value of, and any potential liabilities associated with, the proposed gift, (3) the costs associated with receiving, maintaining or selling the proposed gift (including costs of insurance, shipping, storage, care or appraisals), (4) any restrictions on the use or sale of the proposed gift, and (5) whether the proposed gift can be sold easily without significant cost.

Gifts identified as potentially useful to further the Barnes’s mission (whether identified as such by the donor or by Barnes staff) shall be reviewed by the department head of the appropriate department (e.g., the Librarian, Archivist, Chief Curator, or Deputy Director for Living Collections), who shall consider such proposed gifts in accordance with the procedures established for acquiring such items. The appropriate department head may accept or decline gifts with an estimated value of $25,000 or less; however, higher value gifts, and gifts that may require substantial institutional resources to store or maintain, must be approved by the President and Executive Director before they are accepted. Notwithstanding the foregoing, gifts of art intended to be held as part of the Barnes’s art collection (rather than archives) must be approved by the Board of Trustees or Executive Committee. Donors shall be advised that the Barnes cannot accept any works of art to be added to or hung as part of the permanent display in its Collection Galleries. All accepted gifts of tangible personal property shall be documented in writing by a gift agreement, deed of gift, or other instrument by which title may be transferred.

Unless specifically stipulated by the donor, and agreed by the Board of Trustees or Executive Committee, the Barnes shall have sole discretion in making decisions about the retention, use and disposition of tangible personal property donated to the Barnes.

In the event that tangible personal property is accepted by the Barnes with the intention of selling the property, the donor shall be informed of the Barnes’s intention prior to accepting the gift. The Finance Department shall be responsible for undertaking any such sale, with the assistance of staff members who may have expertise regarding the type of property.
• In-Kind Gifts of Goods or Services

Gifts of products and services that further the mission of the Barnes or provide budget relief may be accepted by the Barnes. In-kind gifts with an estimated value of $25,000 or less may be accepted by the President and Executive Director, the Deputy Director for Advancement, the Director of Development, the Chief Financial Officer, the Director of Finance, the General Counsel, or the department head of a staff member who solicited the gift for a particular need; however, in-kind gifts of higher value, and any in-kind gift that may require substantial institutional resources to store or maintain, must be approved by the President and Executive Director before it is accepted.

The Barnes acknowledges in-kind gifts in writing including a detailed description of the property or services donated, as well as a description of any goods or services provided in return, together with an estimated fair market value of those benefits, as required by law.

• Gifts of Real Estate

Proposed gifts and bequests of real estate must be reviewed by the Gift Review Committee, which shall recommend to the Board of Trustees or the Executive Committee whether to accept or decline the gift. In determining whether to accept such gifts, the Gift Review Committee shall thoroughly review all potential benefits and burdens associated with the proposed gift and evaluate (1) the value of the property, (2) whether there are any financial, environmental or other liabilities that would be required to be assumed upon acceptance of the proposed gift, (3) the costs of carrying the property, including but not limited to insurance, property taxes and maintenance, (4) whether the property would be useful to the Barnes, (5) whether the property would be readily marketable, (6) whether the property is subject to any liens, easements, restrictions or other limitations, and (7) whether the gift is a straightforward outright conveyance of a fee simple interest or whether the gift is in another form (e.g., a gift of a remainder interest or a gift of real estate to a charitable remainder trust). Acceptance of a gift or bequest of real estate, and subsequent transactions must be authorized by the Board of Trustees or Executive Committee, and may be executed by the President and Executive Director, the Chief Financial Officer, the Chief Operating Officer, the Director of Finance, the Deputy Director for Advancement or the General Counsel.

• Other Gifts

The Barnes may accept other types of gifts on a case-by-case basis with the approval of the Gift Review Committee.