



GIFT ACCEPTANCE POLICY

The Allentown Art Museum (AAM), a not-for-profit, independent 501(c)(3) organization under the laws of the Commonwealth of Pennsylvania, encourages the solicitation and acceptance of gifts to the Museum for purposes that will help the AAM further and fulfill its mission. Any information contained in this policy is not intended as legal, accounting, or financial advice. The AAM encourages donors to seek additional guidance from professional tax, legal, and financial consultants. The following policies and guidelines govern acceptance of gifts to the AAM.

PURPOSE OF THE GIFT POLICY

The policy ensures alignment with mission, protects institutional integrity, fulfills accreditation requirements, and provides clear internal processes. The purpose of the Policy is to govern the acceptance by the Museum of lifetime gifts, pledges, bequests, and other planned gifts, and to provide guidance to prospective donors. The Policy applies to all gifts received by the Museum.

GIFT REVIEW COMMITTEE

Any gift that does not comply with this Policy must be reviewed and approved by the Gift Review Committee, whose members comprise: Chair of Board, Treasurer, President & CEO, VP of Development, VP of Curatorial Affairs, and designated legal counsel. As indicated below, certain proposed gifts require the approval of the Board of Trustees or the Executive Committee when recommended by the Gift Review Committee.

- Fall outside of standard gift types;
- Involve significant restrictions or naming opportunities;
- May expose the Museum to financial, reputational, or legal risk;
- Involve non-cash assets subject to appraisal, liquidation, or environmental review; and
- Cryptocurrency, closely-held stock, interests in LLCs/partnerships, charitable remainder trusts, and charitable lead trusts.

ACCEPTABLE GIFTS

The following gifts may be considered for acceptance by AAM:

- Cash gifts are acceptable in any form, including check, credit/debit card, ACH, online payment processing, cash.
- Matching gifts are acceptable from employers who will match a portion or all of a charitable contribution from their employees.
- Gifts of publicly traded securities—donors can make a charitable gift of appreciated securities through DTC (stocks, bonds, or mutual funds held for more than one year), by instructing their broker to deliver free to the Museum's account (as directed).
- Educational Improvement Tax Credit (EITC) Program
- Donor Advised Funds (DAF)—due to IRS regulations surrounding gifts made through DAFs, a donor waives the right to receive any tangible benefits, goods, and services in exchange for this support. This includes memberships or tickets to fundraising events.

- IRA Charitable Rollover Gift—individuals who are 70 ½ years old or older, can make a tax-free transfer of up to \$108,000 each year directly from their IRA to the AAM. Individuals can establish this type of gift by contacting their plan administrator or name the AAM as beneficiary on their designation form.
- Bequests and beneficiary designations under revocable trusts, life insurance policies, commercial annuities and retirement plans. Donors are encouraged to make bequests to the AAM under their wills, and to name the AAM as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.
- Gifts of art—gifts of works of art are reviewed by the AAM's Curatorial staff and subject to approval by the Museum's Collections Committee and Board of Trustees.
- In-kind gifts such as product donations, tangible personal property or professional services that relate to the day to day operations of the AAM.
- United Way—the AAM accepts gifts through the United Way.

A formal written gift agreement is required for all gifts or pledges of \$10,000 or more, or when a gift includes naming opportunities or restrictions. All gifts exceeding \$250,000 must have approval by the Executive Committee of the board.

Pledges must be fulfilled within a five-year period, unless otherwise approved by the Gift Review Committee. Special consideration will be given to extend the pledge payment period beyond 5 years to 10 years, if necessary, for capital campaign pledges approved by the Executive Committee of the Board. Any pledge period to exceed 10 years must be approved on a case-by-case basis by the Executive Committee of the Board.

All pledges should include a documented payment schedule. The Museum does not consider pledges legally binding until confirmed in writing and approved.

ACCEPTABLE GIFTS OF REAL ESTATE ARE SUBJECT TO PRIOR REVIEW

All gifts of real estate are subject to review by the AAM's Gift Review Committee and approval of the Board of Trustees. Real estate may be accepted as an outright gift, a gift through a will or living trust, or a bargain sale. Review criteria for acceptance of gifts of real estate include:

- Property use
- Covenants, conditions, restrictions, reservations, or other limitations with the property
- Carrying costs (including insurance, property taxes, mortgages, notes, or the like), and/or maintenance expenses associated with the property
- Environmental review

RESTRICTIONS ON GIFTS

The AAM reserves the right to refuse any gift that it deems too restrictive in purpose or not in the organization's best interest. The acceptance of a questionable gift or any decision to fulfill a questionable request from a donor will be brought to the AAM's Executive Committee of the Board of Trustees. The discussion should be guided by consistency with the AAM's mission and an attempt to preserve the organization's goodwill in their community. In addition, the following gifts will not be accepted by the AAM:

- Any gifts that violate federal, state, or local laws, statutes, or ordinances
- Any gifts that contain unreasonable conditions or partial interest in property

- Any gifts that are made with conditions that state the proceeds will be spent by the AAM for the personal benefit of a named individual
- Any gifts that could expose the AAM to liability
- Any non-cash gift that is initiated through a third-party not disclosing the owner's identity
- 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).

CONFLICTS OF INTEREST

- The AAM does not provide personal legal, financial, or other professional advice to donors or prospective donors. Donors and prospective donors are strongly urged to seek the assistance of their own professional advisors in matters relating to their gifts, including appraisals, and the resulting tax and estate planning consequences. All advisory costs incurred are at the donor's expense.
- The AAM will encourage donors to seek their own tax or legal counsel before making a gift.

DONOR COMMUNICATIONS AND ACKNOWLEDGMENT

The AAM holds all communications with donors and information concerning donors and prospective donors in strict confidence, subject to legally authorized and enforceable requests for information by government agencies and courts.

- All gifts made to the AAM will receive an acknowledgment from the AAM Development Department within one week of receipt of the gift, if possible. An acknowledgment letter including a formal tax receipt for donations will be sent to each donor when their gift is accepted.
- The AAM uses its donor recognition boards and digital screens, gallery title walls, and annual report as their premiere donor recognition tool. Donors agree to being included in these public recognition tools, unless otherwise specifically requesting anonymity.
- A donor's timely request not to be named or to be recognized as "anonymous" will be honored.

RETURN OF GIFT

- If for any unforeseen reason AAM is unable to comply with the Donor's intent or if the gift has been misdirected to AAM, the return of the gift may be issued at the discretion of AAM, less any out-of-pocket expenses. The President & CEO of the AAM in agreement with the Vice President of Development are authorized to approve the return of any such gift.
- In the event it is brought to attention of AAM, either during the review of a gift opportunity or after the gift has been contributed to the AAM, that the gift proceeds were derived from ill-gotten gains or the assets given were obtained through ethically, morally, or socially despicable or illegal means OR ethically, morally, illegal or socially despicable behavior by the Donor as determined by the President & CEO and Vice President of Development and the Executive Committee or its designee, the gift may be returned in the sole discretion of the AAM, less any out of pocket expenses. In such instances, whether or not the gift was returned, all capital and virtual naming placements will be removed.

There is no statute of limitations applied to this clause. (This clause will be incorporated in all gift agreements).

NAMING OPPORTUNITIES

Named recognition opportunities (e.g., galleries, programs, positions) must be reviewed by the Gift Review Committee and approved by the Executive Committee of the Board of Trustees. Naming durations may be time-limited and subject to renewal. The Museum maintains internal records of anonymity requests and adheres to them across all public-facing channels. The Museum does not accept wholly unattributed gifts where the donor source is unknown.

Once a gift has been accepted by the Museum, it becomes the property of the Allentown Art Museum and is not refundable. This policy ensures compliance with accounting standards and federal tax regulations.

The above policies and guidelines have been reviewed and approved by the AAM's Board of Trustees.