

The Behind the Scenes Foundation
Gift Acceptance Policy
Adopted October 27, 2011



DON'T LEAVE YOUR COLLEAGUES IN THE DARK

Introduction

This document represents the first comprehensive, written statement of the gift acceptance policy of the Behind the Scenes Foundation (the "Foundation"). While it is assumed that this policy will change as we gain additional experience, it can only be altered by the Board of Directors of the Foundation. This Gift Acceptance Policy of the Foundation is binding upon all staff, volunteers and Board members.

Gift Acceptance

The Foundation will actively solicit gifts to further its charitable purposes. These purposes include the receipt and acceptance of property "to be administered exclusively for charitable purposes, primarily in and for the benefit of entertainment technology professionals" (the "Community").

Donors contribute to the Foundation in a variety of ways. Some gifts are outright gifts, either on a one-time or periodic basis. Others are testamentary gifts that take effect upon a donor's death, or are otherwise deferred. Donors should be advised to confer with their own counsel and advisors to review the terms of their gifts.

This policy describes the types of gifts that can be accepted by the Foundation and the processes which must be followed to accept gifts. Generally, the Gift Acceptance Committee of the Board of Directors of the Foundation may approve any commitment to or agreements with a donor; and the Board of Directors of the Foundation must approve gifts that carry potential legal or financial liabilities for the Foundation.

In reviewing gifts to the Foundation, the staff and Board will consider the following criteria:

- The charitable intent of the donor and ultimate benefit to the Community
- The nature of any restrictions
- The permanency of the gift or, in the case of a non permanent fund or gift, the amount of time the assets will remain with the Foundation
- Projected costs of managing the asset
- Potential fee revenues to the Foundation for administering the gift

If the value of a gift other than cash or marketable securities exceeds \$5,000, a donor is required to have a qualified appraisal performed and submitted to the IRS on Form 8283. If such gifts are sold within two years of receipt at a price other than the appraised value, Form 8282 must be filed by the Foundation. It is the responsibility of the Executive Director to ensure compliance with all Internal Revenue Service regulations regarding charitable contributions.

While this policy describes the types of gifts that can be accepted by the Foundation, the Foundation reserves the right to accept or reject any gift. Further, the general policy of the Foundation is to convert all gifts to cash as soon as possible.

Forms of Acceptable Gifts

It is the responsibility of all staff, volunteers and Board members to obtain proper approvals in accordance with these guidelines.

Gifts that may be Accepted by Executive Director with Additional Approval

- Cash and cash equivalents such as checks and credit card donations
- Personal property for use in the Foundation office or programs
- Personal property that is readily marketable

Gifts Requiring Gift Acceptance Committee Approval

- Marketable securities such as stocks and bonds
- Life insurance policies
- Arrangements where the donor receives fees or other payments from the Foundation

Acceptable Gifts

Cash

The Foundation accepts cash, cash equivalents, or checks or money orders made payable to the Foundation.

Marketable Securities

The Foundation will accept contributions of marketable securities. The Foundation reserves the right to make all decisions regarding the sale or retention of securities in consultation with the Foundation's financial advisers. The general policy of the Foundation is to convert all gifts to cash as soon as possible.

Life Insurance Policies

The Foundation will accept gifts of permanent life insurance policies only if the Foundation is named as owner of, or is assigned ownership in, such policies and the Foundation is named as a beneficiary. Policies which have ongoing premium obligations will be maintained by the Foundation so long as gifts are made to the Foundation in the amount of the premium obligations (less any dividends used to offset premiums). Should such gifts not be made, the Foundation may, on the approval of the Gift Acceptance Committee, elect:

- To have the Foundation continue the premium payments.
- To surrender the policy in exchange for its cash surrender value.
- To take those actions deemed necessary or advisable to sustain the policy without further outlay of Foundation funds for premium payments or to sell the policy.

The Gift Acceptance Committee may retain the services of a life insurance expert to review possible actions pertaining to a policy. The Foundation discourages contributions of life insurance policies subject to policy loans. The Foundation reserves the right to accept or reject these policies as well as those subject to assignments to other entities. Any actions taken by the Foundation shall be in accordance with existing AFP and IRS guidelines.

Gifts Naming Multiple Beneficiaries

From time-to-time, donors may wish to designate multiple beneficiaries of the proceeds from their life insurance policies, IRAs, other qualified retirement plans, pooled income funds, gift annuities, or other forms of gifts to the Foundation. The Foundation encourages all intended beneficiaries be named on the applicable instrument. However, if the Foundation is selected as the sole beneficiary, and is then requested to distribute funds to other organizations, the following guidelines shall apply:

- A. The Gift Acceptance Committee will take into consideration the amount of the total gift, the amount designated to the Foundation (both discretionary and restricted), the added value to the Community, and in the case of life insurance policies, whether or not the premiums are paid up. If a policy beneficiary/distributee designation is to be changed to a charitable organization other than the Foundation, the Foundation shall consider the charitable intentions of the donor. It is understood, however, that a donor's recommendations in this regard are advisory and that the Foundation, as owner of the policy, retains exclusive authority to direct the death benefits, maturity, and surrender proceeds of the policy.
- B. In those instances where the Foundation becomes the sole owner of a donor's life insurance policy, the Foundation subsequently has the exclusive right to change the beneficiary/distributee designations. The Foundation can then name the Foundation or other charitable organizations as beneficiaries. These other charitable organizations must qualify under Section 501(c)(3) of the Internal Revenue Code and under Sections 509(a)(1) or 509(a)(2) of the Internal Revenue Code.

Tangible Personal Property

The donor shall be advised whether the gift will be retained and used by the Foundation, transferred to an affiliated non-profit organization or sold.