



Gift Acceptance Policy for the Museum of Truckee History Endowment Fund

The Truckee History-Railroad Society (THRS) is a 501(c)(3) not-for-profit organization organized under the laws of the State of California, whose mission is to build, operate and maintain a permanent museum to preserve and protect Truckee History. THRS encourages the solicitation and acceptance of gifts for the purpose that will help THRS to further and fulfill its mission. THRS is also known for doing business as the **Museum of Truckee History (MoTH)**.

THRS can accept unrestricted or restricted gifts.

The following guidelines govern acceptance of gifts made to THRS for its **Endowment Fund** (The Fund).

I Purpose of Guidelines

The Board of Directors of THRS and its staff are encouraged to solicit current and deferred gifts from individuals, corporations, and foundations to secure the financial future of THRS. These guidelines govern the acceptance of gifts by THRS and provide guidance to prospective donors and their advisors when making a gift or bequest to THRS's Restricted Endowment Fund.

These guidelines are not intended to apply to contributions that members make as part of their payment of annual dues, regardless of their choice of membership category. Nor do these rules apply to unrestricted gifts.

The purpose of The Fund is to provide an ongoing stream of funds for the operation and maintenance of a permanent museum to preserve and protect Truckee History. Management of the funds will be provided by the then-current Board of Directors for THRS. The principal of The Fund will not be distributed to the museum to pay for operational or maintenance expenses. However, the income generated by the principal, primarily interest and dividends, may be used to pay for operational or maintenance expenses.

A diagram of the flow of the funds is shown below in Figure 1.

The Fund will only generate income monies from the principal in the form of interest and dividends. Therefore, gifts to The Fund need to be of a specific type so they may be managed fiscally without significant fees or effort. Other types of gifts may be made to THRS, but only gifts which conform to this gift policy may be accepted by The Fund.

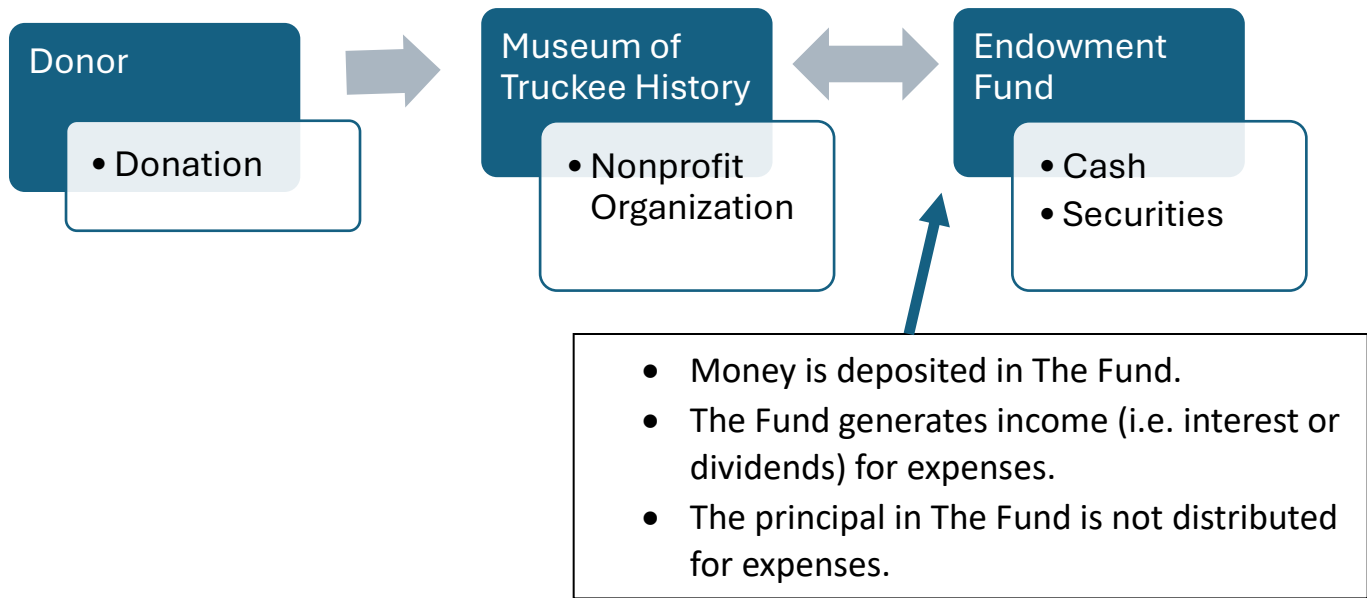


Figure 1

II Criteria for Accepting Cash Gifts and Bequests

All cash gifts and bequests shall become property of THRS.

- a. Stocks or securities accepted by THRS are sold immediately upon receipt.
- b. Funds raised by groups operating under the auspices of THRS shall be considered gifts to THRS.
- c. The gift will place no restrictions on THRS programs.

The gift will not:

- a. Bring undesirable or hidden costs to THRS.
- b. Be inappropriate or harmful to participants in THRS programs.
- c. Be in conflict with any provision of THRS Bylaws or public law.
- d. Require endorsement of any business or product that is not compatible with the purpose of THRS as stated under Article 13 of THRS bylaws.

III. Use of Legal Counsel

THRS will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

THRS shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements.

- b. Documents naming THRS as Trustee.
- c. Gifts involving contracts, such as bargain sales or other documents requiring THRS to assume an obligation.
- d. Transactions with potential conflict of interest that may invoke IRS sanctions.
- e. Other instances in which use of counsel is deemed appropriate by the THRS Board.

III. Restrictions on Gifts

THRS will accept unrestricted gifts. THRS will not accept gifts that are too restrictive in purpose; such as gifts that violate the terms of the organization's Bylaws, which may be amended from time to time, gifts that are too difficult to administer, or gifts that are for purposes outside the mission.

IV. Types of Gifts

The following gifts and criteria are acceptable, with limits set by the THRS Board:

1. **Cash:** Cash is acceptable in any form. Checks shall be made payable to THRS.
2. **Securities:** THRS will accept both publicly traded securities and closely held securities, abiding by the following criteria:

Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the THRS Board. In some cases, marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the THRS Board.
3. **Life Insurance:** THRS 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 interpolated terminal reserve value, or cash surrender value, upon receipt.

If the donor contributes future premium payments, THRS 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, THRS may:
 - Continue to pay the premiums,
 - Convert the policy to paid up insurance, or
 - Surrender the policy for its current cash value.
4. **Charitable Remainder Trusts:** THRS may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the THRS Board of Directors. THRS will not accept appointment as Trustee of a charitable remainder trust.

5. **Charitable Lead Trusts:** THRS may accept a designation as income beneficiary of a charitable lead trust. The Board of THRS will not accept an appointment as Trustee of a charitable lead trust.
6. **Retirement Plan Beneficiary Designations:** Donors and supporters of THRS will be encouraged to name THRS as beneficiary of their retirement plans. Such designations will not be recorded as gifts to THRS until such time as the gift is received.
7. **Bequests:** Donors and supporters of THRS will be encouraged to make bequests to THRS under their wills and trusts. Such bequests will not be recorded as gifts to THRS until such time as the gift is irrevocable.
8. **Life Insurance Beneficiary Designations:** Donors and supporters of THRS will be encouraged to name THRS as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to THRS until such time as the gift is irrevocable.
9. **Any other gifts** deemed acceptable by the THRS Board will also be accepted.

V. Miscellaneous Provisions

A. Securing appraisals and legal fees for gifts to THRS:

It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to THRS.

B. Valuation of gifts for development purposes:

THRS will record a gift received by THRS at its valuation for gift purposes on the date of gift.

C. Responsibility for IRS filings upon sale of gift items:

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

D. Acknowledgement of gifts:

All gifts will be acknowledged and shall be the responsibility of the Board of Directors and carried out by the staff of THRS in accordance with normal THRS accounting systems. Donors shall be responsible to assess a dollar value.

VIII. Changes to Gift Acceptance Policies

These guidelines have been reviewed and accepted by the THRS Board of Directors and may be amended from time to time by a majority of the whole Board.