

Mooresville Arts Gift Acceptance Policy

Statement of Purpose

Mooresville Arts solicits and accepts gifts from individuals, corporations, Foundations, and federal, state, and local governments. However, they may be sought only as they fit the mission of Mooresville arts which is: to be an advocate for the artist and to be an artistic and cultural resource for the Mooresville and Lake Norman community.

The most useful gifts are those with the fewest restrictions. Unrestricted funds allow Mooresville Arts to address the most pressing issues of the organization and the individuals and programs it serves.

Mooresville Arts values and will protect its integrity, its independence, its relationship with the Town of Mooresville and its position within the community. Gifts that may expose Mooresville Arts to adverse publicity, require expenditures beyond Mooresville Arts' resources, or involve Mooresville Arts in unexpected responsibilities because of their source, conditions, or purposes will be referred to the Mooresville Arts Board of Directors. Under other circumstances the Executive Director will have the authority to receive gifts for the benefit of Mooresville Arts.

Mooresville Arts is unable to accept gifts which involve unlawful discrimination based upon race, religion, sex, age, national origin, color, handicap, or other basis prohibited by federal, state, and local laws and regulations. Nor can it accept gifts which obligate it to violate its by-laws.

This policy is designed to provide guidance to Mooresville Arts and the general public to facilitate the gift-giving process. The guidelines govern acceptance of gifts made to Mooresville Arts for the benefit of any of its operations, programs or services. Mooresville Arts urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

Use of Legal Counsel

Mooresville Arts will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate.

Review by counsel is recommended for:

- A. Gifts of securities that are subject to restrictions or buy-sell agreements.
- B. Documents naming Mooresville Arts as trustee or requiring Mooresville Arts to act in any fiduciary capacity.
- C. Gifts requiring Mooresville Arts to assume financial or other obligations.
- D. Transactions with potential conflicts of interest.
- E. Gifts of property which may be subject to environmental or other regulatory restrictions.

Restrictions on Gifts

Mooresville Arts will not accept gifts that (a) would result Mooresville Arts violating its corporate charter, (b) would result in Mooresville Arts losing its status as an IRS 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for Mooresville Arts, or (e) are for purposes outside Mooresville Arts' mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee, in consultation with the Executive Director.

Gifts Generally Accepted Without Review

Cash. Cash gifts are acceptable in any form, including by check, money order, credit card, wire transfer, or on-line.

Marketable Securities. Marketable securities may be transferred electronically to an account maintained at Mooresville Arts' brokerage firm or delivered physically with the transferor's endorsement attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by Mooresville Arts' Finance Committee. In some cases, marketable securities may be restricted, for example, by applicable

securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Finance Committee.

Gifts Accepted Subject to Prior Review

Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

- o ***Charitable Remainder Trusts.*** Mooresville Arts will accept designation as a remainder beneficiary of charitable remainder trusts.
- o ***Charitable Lead Trusts.*** Mooresville Arts will accept designation as an income beneficiary of charitable lead trusts.
- o ***Bequests and Beneficiary Designations under Revocable Trusts, Commercial Annuities and Retirement Plans.***
 - Donors are encouraged to make bequests to Mooresville Arts under their wills, and to name Mooresville Arts as the beneficiary under trusts, commercial annuities and retirement plans.
- o ***Tangible Personal Property.***
 - The Finance Committee shall review and determine whether to accept any gifts of tangible personal property, including works of art, in light of the following considerations:
 - Does the property further the organization's mission?
 - Is the property marketable? Are there any unacceptable restrictions imposed on the property?
 - Are there any carrying costs for the property for which the organization may be responsible?
 - Is the title/provenance of the property clear?
- o ***Life Insurance.*** Mooresville Arts will accept gifts of life insurance where Mooresville Arts is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- o ***Real Estate.*** All gifts of real estate are subject to review by the Finance Committee. Prior to acceptance of any gift of real estate other than a personal residence, Mooresville Arts shall require an initial environmental review by a qualified environmental firm. If the review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit.
 - **Criteria for acceptance of gifts of real estate include:**
 - Is the property useful for the organization's purposes?
 - Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
 - Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
 - Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

Adopted on October 17, 2022