

ACOUSTICAL SOCIETY OF AMERICA
Gift Acceptance Policy

I. Purpose

This Gift Acceptance Policy is designed to assure that all gifts or contributions to, or for the use of, the Acoustical Society of America (the “Society”) are structured to provide maximum benefits for the donor and the Society.

II. Acoustical Society Foundation Board

The Society has designated the Acoustical Society Foundation Board (“ASFB”) as the committee with authority to oversee, evaluate, and, if appropriate, recommend to the Society the acceptance of gifts. The Society through the Executive Council will have final interpretation and decision-making authority under the Policy.

III. Guiding Principles

- The Society encourages gifts in support of its mission as a not-for-profit scientific society.
- In implementing the Policy, the Society seeks to advance the science of acoustics and to promote both the welfare of the Society and the best interests of the donor.
- The Society reserves the right not to accept certain gifts, including gifts that may be too difficult or expensive to administer, gifts made for purposes that are inconsistent with the Society’s mission or ethical standards, or gifts which are not otherwise in the Society’s best interests.
- The Society encourages donations of gifts for unrestricted purposes.
- The Society will acknowledge all gifts and donations in a manner that the Society deems appropriate.
- The Society will comply with all applicable state and federal laws in accepting charitable gifts.

IV. Types of Gifts

Generally, the Society may accept any type of gift consistent with this Policy. The Society may use or sell gifts of property, securities and other non-cash contributions for the benefit of the Society in the Society’s sole discretion and/or require liquidation of such gifts prior to acceptance. The types of gifts and their related conditions are as follows:

A. Outright Gifts of Cash

Gifts of cash are accepted for use consistent with the purposes of the Society. Although the Society recommends that contributions of \$5,000 and above be accompanied by a statement of the donor's intent, such statements do not constitute a contract with the Society unless explicitly stated as such and signed in a written agreement by both the donor and the Executive Director.

B. Publicly-Traded Securities

The Society may accept, and may immediately sell, securities that are traded on any recognized stock exchange and are readily marketable. For gift crediting and accounting purposes, the value of the securities is the average of the high and the low value on the date of the gift, in accordance with IRS regulations. The Society will not accept gifts of non-publicly-traded securities.

C. Real Estate

Gifts of real property of any kind are subject to prior approval of the ASFB. The Society will not accept gifts of real property if the gift would cause the Society to incur a financial burden, potential liability, or other obligation, unless otherwise determined by the ASFB in consultation with the Executive Council. Gifts of real property must be in their entirety, without lien or mortgage, and are subject to conditions including but not limited to the conduct of an independent appraisal, environmental audit, inspection, title search, and other requirements established by the Society. The donor must pay all costs associated with the transfer to the Society.

D. Tangible Personal Property

The Society accepts gifts of tangible personal property (artwork, jewelry, collections, equipment, etc.) only after review of the value and condition of the property, the location of the property, assurances of ownership, and any costs associated with acceptance of the property. The donor is responsible for obtaining any appraisals required by the IRS. The Society will not accept personal property under conditions that obligate the Society to retain the property. The Society will not accept gifts of intangible personal property.

E. Life Insurance

The Society accepts only fully paid insurance policies for which the Society is named as 100% beneficiary and is the irrevocable owner of the policy. The donor must agree to donate to the Society each year the cost of any annual premiums due the insurance carrier, which the Society will then pay to maintain the policy.

F. Bequests

The Society accepts deferred gifts made within a donor's testamentary will, provided that such gifts have met all conditions set forth in this Policy. The Society encourages donors to disclose their bequest intentions to the ASFB in writing to ensure the gift conforms to this Policy. Suggested language is as follows: "I give and bequeath to the Acoustical Society of America, a

501(c)(3) organization established under the laws of the State of New York, [state percentage of estate, residue, sum of money, or other description of gift].”

G. Pooled Income Fund

The Society maintains a Pooled Income Fund, to which gifts of cash, publicly-traded securities, or other readily-marketable financial instruments may be made in a lump sum or over time pursuant to a pooled income agreement with the donor. Gifts to the Fund are subject to certain minimum contribution and beneficiary requirements established by the Society.

H. Charitable Trusts

The Society may accept charitable remainder trusts in which the Society is named as trustee; the trust is funded with cash, publicly-traded securities, or other readily-marketable financial instruments; and where percentage payouts do not exceed the Federal rate defined in the Internal Revenue Code and regulations. The Society may accept charitable lead trusts in which the Society is named as trustee and the trust is funded with cash, publicly-traded securities, or other readily-marketable financial instruments. Charitable trusts are subject to certain minimum contribution and beneficiary requirements established by the Society.

I. Charitable Annuities

The Society may accept charitable gift annuities where the Society is named donee and the annuity is funded with cash, publicly-traded securities, or other readily-marketable financial instruments pursuant to a gift annuity agreement. Annuities are subject to certain minimum contribution and beneficiary requirements established by the Society. Income payments will be based on the prevailing rates recommended by the American Council on Gift Annuities.

V. Categorization of Gifts

Accounting guidelines and state law require that any and all types of gifts outlined in Section IV above be classified in one of the following three categories.

Permanently Restricted

Permanently Restricted funds are those on which the donor has placed a restriction on the use of funds for the purposes for which is established. The intent is that the principal of the contribution will remain as an investment forever, and the interest and earnings will be used for the designated purpose. Donors will be required, however, to agree that if circumstances substantially change concerning the application of the funds over time or the Society goes out of existence, the Society (or any successor) may apply the gift in a manner that meets the then-current needs of the Society (or any successor).

Temporarily Restricted

Temporarily Restricted funds are those for which the donor has restricted the funds for a stated use or period of time (e.g., ten years) or funds the Executive Council has designated for a specific use and/or period of time. Temporarily Restricted funds also may be called “Board Restricted” or “Administratively Restricted,” in which case the Executive Council is, in effect, acting as the donor and, in that role, has stipulated certain restrictions.

Unrestricted

These funds are free from any external restrictions and available for general use. Many individual contributions are unrestricted, as are general operating and unrestricted grants. All gifts to the Society will be deemed “unrestricted” unless otherwise designated or stipulated pursuant to agreement between the donor and the Society.

VI. Major and Planned Gifts, and Restricted Gifts

The ASFB will evaluate all proposed major and planned gifts, and restricted gifts, to assure that the gifts are consistent with the mission and purposes of the Society and with this Policy, including whether the costs to the Society outweigh the benefits of accepting such gifts. The Society may accept gifts subject to restrictions by a donor if the other requirements of this Policy are met. The ASFB must evaluate and recommend for approval and the Executive Council must approve any restricted gift before the gift can be implemented, and all restrictions imposed by a donor must be outlined in a written agreement signed by the Executive Director of the Society and the donor. In general, donors will be required to agree that, if circumstances substantially change concerning the application of their gift over time, the Society may apply the gift in a manner that meets the then-current greatest need of the Society. The ASFB will decline gifts if it is aware of questions concerning the donor’s title to the assets, competence of the donor, or other similar circumstances.

A. Authority for Approval

ASFB negotiates gift agreements with prospective donors and recommends to the Executive Council acceptance of such agreements consistent with the provisions of this Policy. With the exceptions noted below, all gift arrangements and agreements under consideration must be reviewed by the ASFB and approved by the Society before implementation. The Society will seek outside expertise and opinions when necessary, including review by the Society’s legal and tax advisers.

ASFB review generally is not required for the following types of gifts: (1) bequests by will; (2) outright gifts of cash, publicly-traded securities, or other readily-marketable financial instruments with no remainder interest restrictions; (3) purchases of units in the pooled income fund with cash, publicly-traded securities, or other readily-marketable financial instruments, and with no remainder interest restrictions; and (4) gifts of income or remainder interests of trusts managed by third parties which do not obligate the Society to use the income or principal for restricted purposes and in which the Society has no fiduciary responsibilities or liabilities.

B. Planned Giving Agreements

The Society will approve only those gifts or gift agreements which are, in its judgment, structured on a sound business basis, will serve the best interests of the Society, and are allowable by law. Prior to completing arrangements for accepting major and/or planned gifts, the Society and the donor will execute a written agreement or memorandum of understanding which includes, but is not limited to, the following:

1. Purpose of gift and intent of donor;
2. Background;
3. Funding;
4. Criteria as to who will benefit;
5. Society's responsibilities;
6. Uses of the endowment (principal and income) or current operating fund;
7. Year of activation;
8. Additions;
9. Change of the funds' use;
10. Form of public acknowledgment, if any.

C. Named Funds

“Named Funds” are established when a donor or group of donors intends to make a substantial contribution to the Society and the Society wishes to recognize the contribution through naming a fund for the donor(s) or for some named purpose. The ASFB must first evaluate the purpose of the fund and the Executive Council must approve the naming of a fund prior to its establishment.

Unless specifically allowed by action of the Executive Council, a minimum gift of \$100,000 is required to request establishment of a named fund. Named funds may be unrestricted, temporarily restricted, or permanently restricted. Donations made in “memory of” or “in honor of” will not be placed in a named fund; the Society may recognize such gifts in accordance with this Policy.

Named funds may only be established under a written agreement between the Society and the donor. The agreement must include the purpose of the donation, the duration, whether or not the capital is to be preserved (if possible), administration of any award to be made from the fund, the size of the award (fixed per year while preserving capital, or a fixed percentage of the annual gains, or a fixed percent of the value of the fund at a specific time), and any other elements consistent with the requirements for planned giving agreements (see Section VI.B. above).

VII. Donor Acknowledgment

The Society will provide all donors of accepted gifts acknowledgment and/or appropriate recognition of gifts within a reasonable time frame.

A. Gift Substantiation and Valuation

Although the legal obligation for substantiating the value of a contribution is primarily the responsibility of the donor, the Society will provide the donor with reasonable assistance they may need to fulfill IRS requirements. The Executive Director is responsible for assuring compliance with the following acknowledgment and receipt requirements.

1. Cash Contributions: An acknowledgment on official stationery of receipt of all cash contributions, indicating the name of the donor, the date of the gift, amount, and whether any goods or services were provided to the donor in return.

2. Property Contributions: An acknowledgment on official stationery of receipt of all contributions of real or personal property, indicating:

- a) Donor name
- b) Date and location of contribution
- c) Description of the property in reasonably sufficient detail under the circumstances. In the case of securities, the name of the company, the type of security, and its stock exchange.
- d) Value and the method of valuation only if the fair market value is readily available or can be computed using IRS tables.
- e) Copy or terms of any agreement or understanding with the donor as it relates to the use, sale, or other disposition of the gift.

3. Non-Cash Charitable Contributions: IRS Form 8283 completed by the donor and signed by the Society Treasurer in Part I, "Donee Acknowledgment," for gifts of property (other than cash or securities) deemed to have a value exceeding \$500.

4. Property Sold, Exchanged or Otherwise Disposed of within Two Years after Receipt: IRS Form 8282 completed by the Society.

5. Appraisals: For gifts of property (other than cash or securities) deemed to have a value exceeding \$5,000, the donor must obtain a qualified appraisal within 60 days of the contribution. Records of contribution should be maintained indefinitely.

6. Other Types of Gifts: Other gifts will be valued for acknowledgment purposes as follows:

- a) Charitable Remainder Trusts; Pooled Income Funds – Full fair market value of the initial gift placed in trust, and the fair market values of any additions in subsequent years.
- b) Charitable Lead Trusts – Value of the projected income stream over the life of the trust.
- c) Charitable Gift Annuities; Life Estate Contracts – Value of the remainder gift (charitable deduction amount) as calculated at the time of the gift.
- d) Life Insurance Contracts; Bequests; Revocable Trusts – Insurance contracts with premiums paid-up: full face value. Insurance contracts not paid-up but with current cash values: the amount of vested cash values. Insurance contracts not paid-up and no cash values, bequests, and revocable trusts: conditionally recognized as testamentary gifts.

B. Donor Recognition

The Society may establish categories and recognition methods for differing levels of gifts. In general, gift levels will be recognized as follows:

GIFT LEVELS

\$25,000 and above	Patrons
\$5,000 to \$24,999	Leaders
\$1,000 to \$4,999	Benefactors
\$500 to \$999	Sponsors
\$250 to \$499	Donors
\$100 to \$249	Supporters
Up to \$99	Contributors

Testamentary gifts are separately recognized under the title “The Acoustics Trust.”

In consultation with the Society’s staff, the ASFB may recommend additional donor recognition benefits consistent with the Society’s mission, purposes, activities, and resources.

VIII. Considerations for Donors

The marketing, planning, and administration of planned gifts is a complex process involving the donor's philanthropic, personal, tax, and financial considerations. The Society encourages donors to consult with their own personal advisers (accountants, certified estate or financial planners, attorneys, investment brokers, etc.) prior to making any gift to the Society, particularly a planned gift.

The Society will, as a matter of policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

IX. Investment Procedures

The proceeds of any gifts shall be invested in accordance with the Society’s investment policies and the terms of any applicable gift agreement.

X. Services, Costs, and Compensation

Although the Society may, at its own expense, provide documents and materials that will expedite the formation of planned charitable gifts, the Society will not pay any fee, directly or indirectly, for the right to receive a gift.

No director, officer, staff member, or person otherwise in the employ of the Society may accept any compensation or material benefit from a donor as a result of the gift planning or implementation process.

XI. Administration of Policy

The Executive Director shall oversee (and may delegate to a third party administrator) the administrative aspects of all matters described in the Policy, including arranging for transfer of property, assistance with execution of all documents and correspondence, and filing of all necessary regulatory and IRS forms and reports for the Society. Such reports may include filings with the IRS of all forms applicable to trusts, annuities, payments to beneficiaries, and similar tax requirements, as well as filings with appropriate state tax authorities, insurance commissioners, and the U.S. Securities and Exchange Commission, as applicable.