



Wayne Theatre Alliance, Inc. Gift Acceptance Policy

The Wayne Theatre Alliance, Inc. (the “WTA”) accepts gifts that are consistent with its mission, which is to promote the artistic, cultural, and educational opportunities and the economic vitality of Waynesboro and adjacent regions through the operation and preservation of the Ross Performing Arts Center at the historic Wayne Theatre as a performing arts/conference facility.

To accomplish its mission, the WTA will solicit and accept gifts, planned gifts, and other forms of financial support. In addition, the WTA will engage in special projects designed to foster the development of relationships with individuals, partnerships, corporations, foundations, government agencies, and other entities for the furtherance of its mission. In the course of regular fundraising activities, the WTA will accept donations of money, personal property, real property, securities, and in-kind assets and services, subject to the conditions and restrictions set forth below.

The WTA reserves the right to not accept gifts from which it expects to realize little or no financial gain, are contrary to law or WTA policies, may entail undue risk to the organization, or that are offered for purposes that are inconsistent with the values and/or mission of the WTA. This policy sets forth guidelines and procedures that govern the WTA’s acceptance of gifts.

Authority: The Executive Director of the WTA is authorized to enter into gift acceptance agreements on behalf of the WTA and to execute any and all documents necessary to consummate such gifts, subject to the terms of this policy and to restrictions set forth below. In the event that the Executive Director’s position is vacant or the Executive Director is unavailable, this authority shall vest in the Chair of the WTA’s Board of Directors (the Board), or in the Vice Chair of the Board in the Chair’s absence.

Ethics: When dealing with a prospective donor, the WTA’s goal is to devise an arrangement that benefits both parties. In their interactions with existing and prospective donors, their advisors, and other interested parties, WTA personnel and directors shall conduct themselves ethically, avoid potential conflicts of interest, and operate in a manner consistent with the ethical standards and guidelines of the Association of Fundraising Professionals and with the WTA’s status as a 501(c)(3) organization as defined in the Internal Revenue Code.

Procedure: The Executive Director shall be responsible for evaluating the appropriateness of a particular gift. The Executive Director has the authority to accept all gifts without the approval of the Development Committee, with the exception of certain types of gifts as outlined below.

Approval Authority is Vested in the Executive Director (with exceptions noted)

- Cash Gifts
- Gifts of Marketable Securities (Stocks, Bonds): Securities deemed to be “marketable” are those that are actively traded on the New York Stock Exchange (NYSE), the NASDAQ, or other exchanges of a similar nature. It is the WTA’s policy to sell, as soon as practicable; any donated marketable securities so as to avoid the pitfalls associated with trying to “time the market.”
- Retirement Assets: Disbursements from retirement plans may be accepted as gifts. These plans include Individual Retirement Accounts (IRAs), 401(k) accounts, 403(b) accounts, and other retirement plans. The WTA reserves the right to not accept any gift from a retirement plan asset (i.e., other than cash or marketable securities) which is not acceptable under this policy.
- Beneficiary Designations: These include designations on investment accounts, retirement accounts, bank deposit accounts, and life insurance policies.
- Life Insurance: A donor may make a gift of life insurance in two ways. The more desirable of the two is for the donor to transfer ownership of the policy to the WTA and designate the WTA as the beneficiary and agree to continue to pay the premiums necessary to keep the policy in force. If the donor ultimately discontinues paying the premiums, the authority to decide whether to surrender the policy and receive its present cash value or to retain the policy and pay the premiums due will be determined by the Executive Committee or the Board (because of the financial implications associated with continued premium payments). If the WTA is made the owner of the policy, the donor may receive gift-in-kind credit for their premium payments after providing appropriate documentation.

The owner of a life insurance policy who wants to retain ownership while conveying future benefits to the WTA can name the WTA as a beneficiary on the policy. Because beneficiary designations can easily be changed by the policy’s owner without any input from the WTA, no dollar value will be attributed to the beneficiary designation at the time it is made, only when the gift is later realized. However, if the beneficiary designation can be satisfactorily authenticated by the policy’s insurer, the policy’s owner will qualify for membership in the WTA’s Encore Society, the membership of which consists solely of individuals who have made planned gifts.

- Bequests and Gifts of Inherited Property: Testamentary gifts (bequests) shall be actively encouraged by the WTA. Gifts made by heirs that contain property that the Executive Director deems unacceptable shall be forwarded to the Development Committee for its review. The Development Committee has the authority to make the acceptance/rejection decision but may opt to refer the matter to the Executive Committee or the Board, either of which has the authority to make the decision. If there is any indication that a representative of an estate, an heir, or a family member of the deceased is dissatisfied with the decision, the Executive Director shall immediately inform the Board Chair. To help avoid these situations, the Executive Director shall make reasonable efforts to identify intended bequests in advance.
- Annuities: The Executive Director is authorized to accept gifts of commercially issued annuities in which the donor names the WTA as the new owner, beneficiary, or recipient of payments to be made pursuant to the annuity contract. Donors will be advised to contact the National Gift Annuity Foundation (<https://nationalgiftannuity.org/>) to establish an annuity to benefit the WTA. The WTA

will not be a party to charitable gift annuity contracts until such time as the Board determines that its financial reserves, gift annuity accounting tools (software), and staff competency are capable of offering, underwriting, and accounting for charitable gift annuity contracts.

- Revocable and Irrevocable Trusts: The Executive Director is authorized to accept gifts from Revocable Trusts, provided that the assets conveyed are ones over which the Executive Director needs no collaborating authority, as set forth herein. However, in the case of Irrevocable Trusts, the Executive Director must vet the proposed gift (for the reason set forth below) and make a recommendation to the Development Committee, which is authorized to make the acceptance decision.

Irrevocable Trusts fall into two general categories, either Inter-Vivos Trusts or Testamentary Trusts. The most common types of Irrevocable Trusts that the WTA will encounter are Charitable Lead Trusts and Charitable Remainder Trusts. Unless the trust is new and the grantor names the WTA as a beneficiary, the trust will already have at least one named beneficiary at the time the grantor attempts to amend the trust to include the WTA as a beneficiary. This will require the consent of both the trustee (who is a third party) and the existing beneficiaries. For this reason, care must be taken to confirm that the trust amendment process has been correctly completed.

- Restricted Gifts: A gift will be considered unrestricted as to its use unless the donor specifies otherwise in a signed writing. The Executive Director may make an exception in the case where the amount of the gift is modest and the restricted use is broad (e.g., for “musicals” as opposed to for “My Fair Lady”). Donor-imposed conditions and/or restrictions must be considered when deciding whether to accept a gift. Conditions or restrictions that are inconsistent with the WTA’s governing documents, applicable law, or the WTA’s mission, will either not be accepted or will have to be modified by the donor prior to acceptance of the gift. In drafting instruments related to restricted gifts, donors and their advisors shall be advised to use language that would permit the application of the gift to a more general purpose if, in the opinion of the Board, the designated purpose becomes infeasible.
- In-Kind Gifts: In-kind gifts include services, tangible personal property, and expenses incurred by volunteers in the performance of their duties (travel expenses, purchasing items for shows, etc.).

As with restricted gifts, In-kind gifts that do not clearly advance the WTA’s mission or are inconsistent with the WTA’s values must be referred to the Development Committee for a decision. The Development Committee shall consider whether the property is usable by the WTA, its marketability if it is to be sold, the cost of owning the property until its sale, the existence of any problems with the property’s title/provenance, and the appropriateness of any conditions that come with ownership. To corroborate the donor’s valuation of an in-kind gift and/or comply with IRS regulations, the WTA may require a donor to obtain an appraisal of the assets/services to be donated. The WTA also reserves the right to obtain its own appraisal.

The Executive Director shall make a monthly report to the Board that includes a summary of individual non-cash or non-marketable securities gifts exceeding \$1,000 in value that have been approved or declined since the last Board meeting.

Role of the Development Committee

As discussed in the previous section, certain gifts have characteristics that make acceptance decisions more challenging. These must be vetted by the Executive Director and then referred to the Development Committee. To aid the Development Committee's consideration of a particular gift, the Executive Director may enlist the assistance of outside experts and/or legal counsel before making a recommendation.

The Development Committee's role, acting under these policies, will consist of vetting all gifts referred to it by the Executive Director and, where authorized to do so, deciding whether to accept or reject the gift. In those situations, if the Development Committee, subsequent to the analysis of the gift, is not comfortable making the decision, it shall issue a recommendation to the WTA's Executive Committee or Board of Directors, which will then approve or reject the gift.

Gifts Requiring Board Approval

Certain categories of gifts require great care and consideration. Hence, they require the approval of the Executive Committee or the Board. These gifts include, but are not limited to, those that fall within the following categories:

- Other property not previously cited herein, including but not limited to mortgage loans, secured and unsecured notes receivable, copyrights, and royalties.
- Gifts that require the WTA to assume financial or other obligations.
- Ownership interests in closely held companies such as a stock that has limited marketability, partnership interests, LLC interests, etc.
- Gifts of securities that are subject to restrictions or buy-sell agreements.
- Real estate (including those situations where a "life estate" is to be retained): Special care must be taken when the proposed gift is an interest in real estate, especially when the real property is non-residential (i.e., commercial) property. Important considerations include but are not limited to, the property's marketability, condition of title to the property, condition of the property itself, presence of environmental problems, financial and other encumbrances on the property, carrying costs associated with owning and selling the property, and other factors related to the potential for liability and the probability and extent of financial gain likely to be derived from the gift.

The following types of gifts will not be accepted

- Gifts that (a) might result in the WTA violating its corporate charter, (b) result in the WTA losing its status as an IRC § 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) could result in any unacceptable consequences for the WTA, especially in the areas of potential litigation or "headline risk" (e) entail possible conflicts of interest, (f) entail potential risk to the WTA's reputation, or (g) are for purposes inconsistent with the WTA's mission, vision, or values.

Documenting and Crediting Gifts

- All gifts made to create an endowed fund or with restrictions as to use shall be credited in the manner agreed to by the donor and the WTA and must be consistent with Board-approved policies. A written agreement must be provided to document the WTA's and donor's understanding. In the case of a gift creating an endowed fund, the written agreement must be on the WTA's board-approved form. In the case of other restricted gifts, the agreement may be through an exchange of correspondence (letters and/or emails) between the donor and the WTA's Executive Director, Chair of the Development Committee, or Chair of the Board, as appropriate.
- All unrestricted gifts, except unrestricted gifts directed to the WTA's endowment, shall be credited as follows:
 - Gifts of \$50,000 or less - 100% of the gift shall be credited to Unrestricted Funds and immediately be available for use in supporting the WTA's operations.
 - Individual gifts that exceed \$50,000 – The WTA's Board of Directors shall have the sole authority to approve the allocation of gifts that exceed \$50,000. As soon as practicable after such a gift has been made, the Executive Director or the Director of Finance shall notify the Board Chair and the Secretary so that the matter can be considered by the Board in a timely manner.
 - Multiple unrestricted gifts by the same donor within a relatively brief time frame will be aggregated and considered to be a single gift for the purpose of allocation, as described above.
- Grants from operating and family foundations shall be considered gifts. The Executive Director has the authority to consider other grants as gifts for the purpose of donor recognition.
- Gifts from donor-advised funds will not be considered gifts from the individual(s) who established the fund with a "sponsoring organization." These gifts may receive soft credit and should receive an expression of acknowledgment and appreciation for the recommendation that led to the gift.

Changes to this Gift Acceptance Policy can only be made by the WTA's Board of Directors upon a recommendation from the Development Committee.

As approved by the Wayne Theatre Alliance's Board of Directors on October 20, 2023.