

THE AMERICAN MATHEMATICAL SOCIETY
GIFT ACCEPTANCE POLICY
MAY 19, 2012

The American Mathematical Society (AMS) is a private, not-for-profit entity organized under the laws of the District of Columbia. The AMS encourages the solicitation and acceptance of gifts for purposes that will help it further and fulfill its mission. The following policies and guidelines govern acceptance of such gifts made to the AMS for the benefit of any of its programs and services.

I. PURPOSE

The volunteer leadership and staff of the AMS solicit current and deferred gifts from individuals, corporations, and foundations to secure its future growth and accomplish its mission. These policies and guidelines govern the acceptance of gifts by the AMS and provide guidance to prospective donors and their advisors when making gifts. The provisions of these policies apply to all gifts received by the AMS for any of its programs or services. These policies are policies of the Board of Trustees of the AMS and must be created and amended by that Board.

The policies serve to ensure that tax-deductible gifts are received in a manner consistent with the Internal Revenue Code and do not jeopardize the AMS's tax-exempt status; to minimize the AMS's incurrence of potential liabilities; and to limit the acceptance of gifts which are difficult to administer and/or inconsistent with the AMS's mission.

II. GENERAL POLICY

All gifts must serve the mission of the AMS and are subject to the approval of the AMS Board of Trustees. The AMS has the right to accept or refuse any gift based on this policy or other considerations.

The AMS will strive to fulfill the charitable intentions of each donor. The interests of the donor shall come before those of the AMS.

Persons acting on behalf of the AMS shall encourage the donor to discuss a proposed gift with legal and/or tax advisor(s) of the donor's choice and at the donor's expense. This is to ensure that the donor receives a full, accurate and independent explanation of all aspects of the proposed charitable gift.

The AMS will remain open and accessible to its donors, communicating its activities, use of funds and policies and procedures.

Requests by donors for anonymity will be honored. Permission to recognize a donor and his/her gift publicly will be assumed unless otherwise requested.

III. GIFT ACCEPTANCE REVIEW PROCESS

The AMS will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission, purposes, and priorities. Determinations as to acceptance of routine gifts may be made by the Executive Director, as well as by the Director of Development, in consultation with the Fiscal Department, where appropriate. All non-routine gifts and any gifts designated in the policy for review by the Development Committee (described below) should be directed to the Development Committee, which committee will be responsible for recommending to the Board of Trustees as to whether a particular gift should be accepted or declined.

The AMS will not accept gifts that are excessively restrictive in purpose. Gifts that are too restrictive are, for example, those that violate the terms of the corporate charter of the AMS, gifts that are too difficult to administer, or gifts that are for purposes entirely outside the mission of the AMS.

Unrestricted gifts of less than \$100,000 received in the following forms may be accepted by the Executive Director and will not require prior review of the Development Committee:

- Cash
- Checks
- Marketable securities

Gifts requiring review by the Development Committee include, but are not limited to:

- Gifts \geq \$100,000
- Initial gifts that create an endowed fund
- Stock in privately owned companies or subchapter S corporations
- Real property
- Tangible personal property valued at greater than \$5,000
- Deferred gifts

IV. DEVELOPMENT COMMITTEE

The Development Committee shall consist of the AMS President, Treasurer, Secretary, Chair of the Board of Trustees, and Executive Director.

The principal activities of the Development Committee are to represent the Executive Committee and Board of Trustees (ECBT) in early discussions with potential donors about establishing new prizes; recommend to the ECBT priorities for funding in planned development initiatives; and recommend to the ECBT whether to accept gifts offered to the Society.

In making recommendations as to whether particular gifts should be accepted by the AMS, the Development Committee is charged with making determinations including whether gifts are in line with the AMS's mission and whether gifts are cost-prohibitive or burdensome for the AMS to process. Such determinations include, and not limited to, the following: the charitable intent and ultimate benefit of the gift, the nature of any restrictions, the permanency of the fund, the projected costs of managing the gift asset, and the fee revenues that may accrue to the AMS for administering the gift.

The Development Committee shall have the ability to authorize payment of gift administration fees, such as professional fees, where appropriate.

V. USE OF LEGAL COUNSEL

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

- Closely held stock transfers that are subject to restrictions or buy-sell agreements
- Documents naming the AMS as Trustee
- Gifts involving contracts, such as bargain sales or other documents requiring the AMS to assume an obligation
- Transactions with potential conflict of interest that may invoke IRS or other legal sanctions.

VI. TYPES OF ACCEPTABLE GIFTS

The following types of gifts are acceptable:

- Cash
- Bequests
- Retirement Plan Beneficiary Designations
- Life Insurance and Life Insurance Beneficiary Designations
- Securities or qualified appreciated stock
- Real Estate
- Remainder Interests in Real Property
- Tangible Personal Property
- Charitable Gift Annuities
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Royalties and Distribution Rights

The following criteria govern the acceptance of each gift type:

1. Cash: Cash is acceptable in any form. Checks shall be made payable to the American Mathematical Society and shall be delivered to the AMS at 201 Charles St, Providence, RI 02904.
2. Bequests: The AMS Development Committee has the authority to accept or refuse unrestricted bequest gifts of up to \$100,000. Most designations in wills should fit within AMS guidelines; however, complicated or restrictive instructions may prevent the AMS from accepting certain gifts. Donors and/or their legal counsel should contact AMS staff regarding any unusual administrative provisions. The name of the donor need not be disclosed. Such contact at the time of the gift's creation will help avoid any problems when the gift is implemented.
3. Retirement Plan Beneficiary Designations: Donors to the AMS will be encouraged to name the AMS as beneficiary of their retirement plans (for example, an IRA, a 401(k) plan or a defined contribution plan). Such designations will not be recorded as gifts to the AMS until such time as the gift is irrevocable and the AMS has knowledge of such designation.
4. Life Insurance: Donors to the AMS will be encouraged to name the AMS as beneficiary or contingent beneficiary of their life insurance policies. To be recorded as a gift, the AMS must be named as both a beneficiary and owner of the life insurance policy.
5. Securities: The AMS can accept both publicly traded securities and closely held securities.
 - Publicly Traded Securities. Marketable securities may be transferred to an account maintained at one or more AMS designated brokerage firms or trust companies, commercial banks or delivered physically with the transferor's stock power attached. As a general rule, all marketable securities will be sold upon receipt unless otherwise directed by the Investment Committee. In some cases applicable securities laws may restrict marketable securities. In such instance the Board of Trustees shall make the final determination on the acceptance of the restricted securities.
 - Closely Held Securities. Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies or other ownership forms, can be accepted subject to the approval of the Board of Trustees. However, gifts must be reviewed by the Development Committee prior to acceptance to determine:
 - There are no restrictions on the security that would prevent the AMS from ultimately converting those assets to cash;
 - The security is marketable; and
 - The security will not generate any undesirable tax consequences for the AMS.

To be accepted, closely held securities must have a qualified appraisal performed by an independent professional appraiser generally as the expense of the donor. If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final

decision on acceptance of the gift. Following advice by legal counsel, the Board of Trustees shall make the final determination on the acceptance of closely held securities. Every effort will be made to sell closely held securities as quickly as possible. If not immediately marketable, the stock will be kept in the safe deposit box until they can be redeemed.

6. Real Estate: See *Policy on Acceptance, Management, and Sale of Gifts of Property*.
7. Tangible Personal Property: All other gifts of tangible personal property shall be examined in light of the following criteria:
 - o Does the property fulfill the mission of the AMS?
 - o Is the property marketable?
 - o Are there any undue restrictions on the use, display, or sale of the property?
 - o Are there any carrying costs for the property?
 - o Can the property be sold easily?
 - o Are there costs associated with transportation, storage, selling, maintenance and repair for the property?

The Development Committee will make the final determination on the acceptance of other tangible property gifts valued at between \$5,000 and \$100,000.

8. Charitable Gift Annuities: The AMS may offer charitable gift annuities. The general acceptance of charitable gift annuities will be determined on an annual basis by the Board of Trustees, based on the recommendation of the Development Committee. Gift annuity rates will be based on the current gift annuity rates in force as adopted by the American Council on Gift Annuities. The minimum gift for funding is \$50,000. The minimum age for life income beneficiaries of a gift annuity shall be 65. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 55. No more than two life income beneficiaries will be permitted for any gift annuity. Annuity payments are normally made on a quarterly schedule, although the AMS's Executive Director and Financial Officer may approve exceptions to this payment schedule. AMS will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The AMS may accept real estate, tangible personal property, or other illiquid asset-- subject to the conditions set forth for these kinds of gifts in these policies -- in exchange for deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Board of Trustees approves the gift arrangement.
9. Charitable Remainder Trusts: The AMS may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Board of Trustees. The AMS may accept appointment as trustee of a charitable remainder trust only under the following conditions:
 - o That the AMS has at least a 75% beneficial interest as the remainderman of these trusts, with the trust having a minimum value of \$250,000.
 - o That the AMS not generally accepts real estate or interests in limited partnerships as assets for the creation of these trusts; exceptions, however, can be made depending on the nature of the gift/trust.

- That the Board of Trustees accepts the trust only after thorough review of the proposed trust by the legal counsel of the AMS.
 - If such trusteeship is accepted, the AMS may serve directly as trustee or appoint a trustee. For example, the AMS may contract with a trust company as its agent, paying the same fees as it may normally receive as a trustee.
10. Charitable Lead Trusts: The AMS may accept a designation as income beneficiary of a charitable lead trust with the approval of the Board of Trustees. However, the AMS will not accept an appointment as trustee of a charitable lead trust.
11. Royalties and Distribution Rights: The AMS may accept gifts of royalties or distribution rights on published works (such as books or films) where there is clear evidence of marketability or assurance of an income stream. The Development Committee will recommend to the Board of Trustees whether such a gift should be accepted after receiving a qualified appraisal, the cost of which shall generally be borne by the donor.
12. Other Gifts: Acceptance of any other type of property or interest as a gift to the AMS shall be reviewed by the Development Committee on an individual basis and will require the approval of the Board of Trustees.

Acceptance of gifts to the AMS in a manner that is in any way inconsistent with this statement of policy must be approved in writing by the Executive Director who shall report such exceptions to the Board of Trustees at its next regular meeting.

VII. CONFIDENTIAL INFORMATION

All information concerning prospective donors, including names and addresses, names of beneficiaries, nature and worth of estates, amounts of provisions, etc. shall be kept strictly confidential by the AMS and its authorized personnel unless the donors grant permission to use selective information for purposes of referral, testimonial or example at the discretion of the donor or authorized representatives.

VIII. CHANGES TO GIFT ACCEPTANCE POLICIES

The Board of Trustees must approve any changes to, or deviations from, these policies.