

Introduction

Mission: KSPS Public Television provides programs and events that entertain, engage and education to enrich all the communities we serve.

The Friends of KSPS dba KSPS Public Television (KSPS), federal tax ID: 23-7203753, solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. KSPS strongly 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. The following policies and guidelines govern acceptance of gifts made to KSPS for the benefit of any of its operations, programs, endowment or services; and to provide guidance to donors and their professional advisors in completing gifts. It also establishes a giving policy for KSPS that encourages donors to plan gifts of assets in addition to cash donations*. With these guidelines, we'll seek to provide excellent donor stewardship and benefit to the station. Without exception, donor intent will be honored with regard to the gift. If it is not possible to comply with donor designations or intent, the gift will be respectfully declined.

** A planned gift differs from an outright gift of cash in that a donor purposefully integrates a charitable gift into their overall financial, tax and estate planning. The gift may be current or deferred.*

Definitions

Gift Allocation: Unless specifically designated by the donor, simple cash gifts and membership pledges will be used to support the operations of KSPS. Unless specifically designated by the donor, KSPS will deposit 90% of the proceeds from estate gifts, planned gifts and large unanticipated gifts in the Endowment account which is managed by Washington Trust Bank to support the long-term needs of the station. The remaining 10% of the gift will be held in a sequestered bank account until the end of the fiscal year, and then transferred to the KSPS general account for operations. If not needed, the money will be placed in the WTB Endowment

Endowment Committee: The KSPS Endowment will be administered on behalf of the Friends of KSPS Board (The Board), by the Development Committee. All revisions will be submitted to the KSPS Board of Directors for approval. The General Manager, the Director of Development and the Director of Special Giving will serve as non-voting advisors. The Director of Special Giving will perform routine administration and act as the liaison between the Fund Manager and the committee.

Gift Acceptance Committee: The Gift Acceptance Committee will consist of members of the Development Committee, Executive Committee and Endowment Committee, recruited as needed. The Director of Development, the Director of Special Giving and the General Manager will serve as non-voting members. The Gift Acceptance Committee will access independent legal counsel as needed. The Gift Acceptance Committee will seek the expertise and approval of The Board as required in this policy.

Use of legal counsel

KSPS strongly encourages all prospective donors of planned gifts to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. Discussion of various estate planning mechanisms between KSPS and the donor shall not constitute legal or financial advice. Representatives of KSPS shall not advise donors as to the benefits, limitations and tax implications of their gift.

KSPS, as represented by a Gift Acceptance Committee, may seek legal counsel to assist in the acceptance and administration of the gift, addressing, but not limited to, these points:

- Review of certain gifts, such as closely held stock, or closely held stock subject to buy-sell agreements or other restrictions
- Review of all transactions governed by contracts or legal documents
- Review of all transactions with potential conflicts of interest
- Documents naming KSPS as trustee or requiring KSPS to act in any fiduciary capacity.
- Gifts requiring KSPS to assume financial or other obligations.
- Gifts of property which may be subject to environmental or other regulatory restrictions.
- Review of transactions in which the committee or board members believe that the use of counsel is appropriate.

Confidentiality

Except as required by law, all information obtained from or about donors or prospects shall be held in strictest confidence. Upon the donor's request, the name, amount, or the conditions of any gift shall not be made public. KSPS does not and will not sell or share in any way its member list and uses it only for KSPS purposes. We are PCI compliant with regard to credit card and name security.

Gift Administration

KSPS expects that all gift pledges will support the mission of KSPS, will be made in good faith and will be honorably fulfilled by each donor. In return, KSPS will expend effort and resources to fulfill its obligations to provide appropriate recognition and honor KSPS commitment to its donors.

Gifts requiring extraordinary review (see below) will be considered by a Gift Acceptance Committee.

Donors who make long-term commitments are encouraged to include KSPS in their estate or contingency plans to cover any unfulfilled commitment in the event of untimely death or disability. KSPS will not pursue any unfulfilled pledge commitment through legal means unless KSPS's Executive Committee votes that special situations or circumstances involving any particular pledge would warrant such action.

The General Manager and the Director of Special Giving (or the Director of Development), are responsible for reviewing all planned gifts to KSPS. This review will extend to gifts, current and deferred, that are out of the normal cash or in-kind contributions given to KSPS. The General Manager, the Director of Development and the Director of Special Giving have the authority to handle inquiries, negotiate with donors, assemble documentation, retain appraisers, surveyors, realtors and other technical consultants and execute agreements on behalf of KSPS.

KSPS will not accept gifts that (a) would result in KSPS violating its corporate charter, (b) would result in KSPS losing its status as an IRC 501(c)(3) not-for-profit corporation, (c) would negatively impact its broadcasting license issued by the U.S. Federal Communications Commission (d) are too difficult or too expensive to administer in relation to their value, (e) would result in any unacceptable consequences for KSPS, or (f) are for purposes outside of KSPS's mission. Final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the KSPS Board and the Development committee with input from a Gift Acceptance Committee.

Unless specifically designated otherwise by the donor, KSPS will deposit 90% of the proceeds from estate gifts, planned gifts and large unanticipated gifts in the Friends of KSPS Endowment. The remaining 10% will be held in a sequestered bank account until the end of the fiscal year. The money will then be transferred to the KSPS general fund to support operations or, if not needed, deposited in the WTB Endowment.

When considering whether to solicit or accept gifts, KSPS will consider the following factors:

- Values – whether the acceptance of the gift compromises any of the core values of KSPS
- Compatibility – whether there is compatibility between the intent of the donor and KSPS's use of the gift. Will acceptance further the mission, goals and/or objectives of both parties?
- Public Relationships – will acceptance of the gift damage the reputation of KSPS?
- Source of gift – will the gift establish an unacceptable affiliation for KSPS?
- Defensibility – if controversy should develop, will there be ample justification for the acceptance of the gift?
- Primary Benefit – is the primary benefit to KSPS, or the donor?
- Motivation – is there clear charitable intent and a commitment to serve KSPS?
- Consistency – is acceptance of the gift consistent with prior practice? Will acceptance of the gift be inconsistent with other fund raising activities and/or gifts?
- Form of Gift – is the gift offered in a form that KSPS can use without incurring substantial expense or difficulty? Will the nature of any in-kind gift create risks, such as the inability to hold the donor accountable for poor performance or unacceptable materials?
- Financial Impact – what is the net effect on the financial health of KSPS, factoring in short and long term considerations?
- Effect on Future Giving – will the gift encourage or discourage future gifts?

Gifts requiring extraordinary review, such as real estate, will be considered by a Gift Acceptance Committee, convened as needed. The Director of Special Giving will serve as administrative staff to the committee. Upon notification of such gift, the Director of Special Giving shall notify the General Manager, Director of Development and the Board Chairman, who shall convene a Gift Acceptance Committee.

Types of Gifts

Gifts generally accepted without review:

- Cash: any form, check, money order, credit card or on-line. Gifts by credit card must provide the card type, card number, expiration date, and name of the card holder as it appears on the credit card.

- Marketable Securities: marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by the KSPS Financial Affairs Committee. Gifts of marketable securities will be receipted, consistent with IRS guidelines, at the average of the high and low market value on the date the securities were received by KSPS. Delivery of certificates will be receipted on the date the stock is transferred to the KSPS brokerage account, or when both the stock certificate(s) AND the guaranteed stock power are received by KSPS. 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 a Gift Acceptance Committee.
- Bequests and beneficiary designations under revocable trusts, life insurance policies, commercial annuities and retirement plans: donors are encouraged to make bequests to KSPS in their wills, and to name KSPS as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans. Because these gifts are deferred and revocable, they will not be recorded until received. When received, donations will be deposited in the Endowment account as described above in *Gift Administration*. All gifts from the estates of deceased individuals shall be accepted subject to the terms of these gift acceptance policies. KSPS may elect to serve as an executor of a will, with Board approval and enlisting the assistance of our financial managers and attorneys.
- Charitable Remainder Trusts or other Life-Income arrangements: KSPS will accept designation as a remainder beneficiary of charitable remainder trusts. KSPS will not act as a sole trustee of charitable remainder trusts. The trust documents must be prepared or approved by an attorney representing the donor. The donor(s) will be recognized for their intent after a copy of the trust document has been submitted and accepted by Friends of KSPS. If the beneficiary designation is irrevocable, the calculated charitable remainder will be recorded and documented. Distributions from the trust will be used for general operations, unless specifically designated by the terms of the trust. Distributions in excess of \$75,000 will qualify as unanticipated donations, and be deposited in the WTB Endowment.
- Charitable Lead Trusts: KSPS will accept designation as an income beneficiary of charitable lead trusts. KSPS will not serve as sole trustee of charitable lead trusts but shall, with the approval of the donor(s), designate an administrative co-trustee such as a professional trust/investment manager selected and advised by the Financial Affairs Committee. Distributions from the trust will be used for general operations, unless specifically designated by the terms of the trust. Distributions in excess of \$75,000 will qualify as unanticipated donations, and be deposited in the WTB Endowment.
- Gifts of vehicles: vehicle donations will be accepted and executed by a third-party vehicle donation service, determined by KSPS. The service will be responsible for the transport, marketing, sale and documentation of the donation. KSPS will receive a negotiated percentage of the auction price of the vehicle, which will represent the donation amount. KSPS will not be responsible for any damage to donated vehicles and will not pre-arrange a sale price.

Gifts accepted subject to prior review by a Gift Acceptance Committee:

- Tangible personal property: a Gift Acceptance Committee shall review and determine whether to accept any gifts of tangible personal property 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?
 - Gifts of tangible personal property will be receipted, reported and documented at the appraised value of the property, less any encumbrances, at the time the gift is transferred to KSPS.
 - KSPS will retain the right to liquidate such assets to fund its needs
 - Noncash contributions will be administrated by current tax rules.
 - Noncash contributions must be used by KSPS in ways that are related to the tax-exempt charitable purpose. If the gift cannot be used by KSPS for its charitable purpose the donor's charitable deduction is limited to the lesser of the cost basis or the current fair market value of the asset being gifted.
 - Acceptance of such gifts cannot involve significant additional expense for their present or future use, display, maintenance or administration.

- Real Estate: all gifts of real estate are subject to review by a Gift Acceptance Committee and the Executive Committee. Prior to acceptance of any gift of real estate KSPS shall require:
 - An Environmental Phase 1 report, at donor's expense. Property will not be accepted if there is a likelihood of any liability that could attach to KSPS
 - Evidence of title which will show the property to be free and clear, except for current real estate taxes and restrictions of record, which would not create any economic burden of KSPS. The donor is responsible for preparing the deed and all other instruments that are necessary to transfer the property to KSPS.
 - The property will be evaluated for current marketability and potential property or management costs.
 - Prior to accepting the property, KSPS and the donor must agree in writing on arrangements for paying expenses associated with the property, such as commissions, real estate taxes, utilities, insurance and maintenance costs.
 - Prior to or upon transfer of title to KSPS, the donor and KSPS will sign an agreement (approved by each party's respective legal counsel) stating the terms of the gift and specifying that there are no unacceptable restrictions on KSPS's right to use or sell the property.
 - KSPS will not pay for legal assistance, appraisals or other services on behalf of the donor. This would represent a conflict of interest.
 - KSPS will not establish or corroborate the value of any property for the purpose of substantiating the donor's income tax charitable deduction.
 - Donors will be required to obtain a qualified appraisal complying with IRS regulations for the purposes of establishing the value of the gift for Federal Income Tax purposes, including the preparation of Form 8283: Non-cash Charitable Contributions.

- If the property is sold within two years of the date of the gift, KSPS will report actual sales proceeds to the IRS on Form 8282: Donor Information Return.
- These policies are also applicable to gifts of real estate by bequest. Upon notification of being named to receive a gift through a will or other trust arrangement that includes real estate, the Director of Special Giving will contact the executor, trustee, or other legal representative of the estate and notify the President of the Board and the General Manager. They will convene a Gift Acceptance Committee to review the gift according to policy. The personal representative of the estate will be asked to provide the Environmental Phase 1 Report and all other relevant documentation. KSPS is not required to accept testamentary gifts if it is deemed that the gift will not be in its best interest.
- Real Estate – Retained Life Estates: the gift of a primary residence, vacation home or farm with retained life interest on the part of the donor may be arranged without a trust agreement. The donor shall deed the property to KSPS and in a written agreement assume full responsibility for all taxes, utilities, insurances, maintenance and repair costs to maintain the property in marketable condition as long as the donor (or their agreed upon designee) occupies the residence. Calculations of the remainder interest which is allowed for Federal Income Tax deduction credit is based on an IRS formula which will be supplied and calculated by the donor’s professional representative. These transactions will be subject to all procedures outlined for gifts of real estate.
- Closely Held Securities: gifts of closely-held securities will be evaluated by a Gift Acceptance Committee and require consultation with legal counsel and tax advisors to determine that the gift will not generate undesirable tax or administrative consequences for KSPS. KSPS will have full discretion to decide whether, when and to whom to sell the securities. Criteria for acceptance includes, but is not limited to:
 - Value must be established by an independent appraisal, fees to be paid by the donor.
 - What is the marketability of the security?
 - Is the security saleable?
 - Will the gift generate unrelated taxable business income for KSPS?
 - Securities controlled under SEC Rule 144 will be held until the restriction on the sale expires and then will be sold within a reasonable period of time.
- Life Insurance: non-fully-paid-up life insurance policies will be accepted if 1) KSPS is designated owner and sole beneficiary; 2) the original policy is given to KSPS; and 3) the donor agrees to continue making premium payments (which may qualify as charitable deductions). KSPS makes no commitment to continue making premium payments should the donor cease to do so.
 - Commitments of non-fully-paid-up insurance will be documented at the cash surrender value and will not be recorded or documented for the full face value until assets are distributed to KSPS. Premium payments will be receipted and recorded as gift income.
 - Commitments of term insurance naming KSPS as beneficiary will not be reported or documented until assets are distributed to KSPS.
 - KSPS will not accept gifts for the purpose of purchasing a new life insurance policy on any individual(s).

- Deferred and split interest irrevocable gifts: KSPS will secure professional, independent consultation and management of life income gifts, charitable gift annuities, charitable remainder trusts, charitable lead trusts and pooled income funds. KSPS will not act as trustee for these gift mechanisms. Please see specific policy above.
- Contributions of Services (In-Kind): a contribution of services will be recognized and recorded at the donor's valuation if it meets the following requirements: 1) the services would need to be purchased if not contributed; 2) the services require special skills; 3) the services are provided by someone who possesses these skills; and 4) the value is competitive with the current market. The donor will invoice KSPS for the value of the services noting the dollar amount that will be donated. Friends of KSPS will acknowledge receipt of the donation. Please note that the IRS does not allow charitable income tax deductions for donated services.

Additional information

- Charitable Bequests: KSPS respectfully requests that donors describe the purposes of their gifts as broadly as possible and avoid detailed limitations and restrictions. Suggested language:
 - *For a specific bequest*: "I hereby give and bequeath \$_____ from my estate to Friends of KSPS, a 501(c)(3) corporation in the state of Washington, (Federal Tax ID: 23-7203753), to be deposited in the KSPS Endowment, according to the policy adopted by the KSPS Board of Directors".
 - "I hereby give and bequeath all (or ____%) of the rest, residue and remainder of my estate to Friends of KSPS, a 501(c)(3) corporation in the state of Washington, (Federal Tax ID: 23-7203753), to be deposited in the KSPS Endowment, according to the policy adopted by the KSPS Board of Directors".
- KSPS encourages their donors to name KSPS as beneficiary of their life insurance policy or retirement plan. Please consult your financial advisor to ensure the designation is properly completed and the necessary waivers from your spouse are obtained.
- According to IRS regulations, receipts are required only to describe the amount of cash or donated assets received (as well as the value of any benefits exchanged). Donors are solely responsible for determining charitable valuations and gift dates.
- Deferred gifts are assets which are pledged but not received for a relatively long period. It is the intention of the Board to allocate those gifts, if unrestricted, to the KSPS WTB Endowment.
- Market value is defined as the mean between the highest and lowest market prices on the day the donor relinquishes control of the asset. Changes in value after receipt, redemption fees, and other processing costs are considered administrative expenses and do not affect the value credited to the donor.
- All gifts shall be valued (for receipting purposes) on the date the donor(s) relinquishes control of the assets and places them in the control of KSPS.

Reporting

KSPS Public Television complies with all IRS requirements regarding gift reporting obligations.

Donor Stewardship

Without exception, KSPS Public Television will honor the intentions and designations of our donors. If KSPS is not able to do so without undue expense, complication or compromise of mission, the gift will be respectfully declined. KSPS Public Television adheres to tenets of *the Association of Fundraising Professionals Code of Ethical Principles and Standards* and *the Donor Bill of Rights* to inform its fundraising policy. Donors will receive acknowledgement for all gifts. The gift acknowledgement will include a good faith estimate of the value of any goods or services provided by KSPS in thanks for the gift in excess of \$75.00.

Annual Review

Upon adoption of the Gift Acceptance Policy by the KSPS Board of Directors, the Development Committee will review the policy annually, then submit for Board approval as an agenda item at the November Board of Directors meeting. Amendments will address changes in law, the organization of KSPS or new situations not previously addressed. Revisions will require Board of Directors approval.