



Ocean City Yacht Club Foundation Gift Policy

The Ocean City Yacht Club Foundation (OCYCF), a not-for-profit entity organized under the laws of the State of New Jersey and tax exempt as a public charity under Section 501(c)(3) of the Internal Revenue Code, encourages the solicitation and acceptance of gifts for the purposes that will further and fulfill the mission of the OCYCF.

The following policies and guidelines govern acceptance of gifts made to the OCYCF and for the benefit of its mission.

I. Purpose of Policies and Guidelines

The OCYCF Board of Directors solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the OCYCF. These Policies and Guidelines will govern the acceptance of gifts and provide guidance to prospective donors and their advisors when making gifts to OCYCF. These Policies shall apply to all gifts received by OCYCF.

II. Restriction of Gifts

OCYCF will accept unrestricted gifts as well as gifts for specific purposes, provided that such gifts are consistent with its stated mission, purposes, and priorities. OCYCF will not accept gifts that are too restrictive in purpose, such as gifts that are accompanied by an improper economic benefit to the donor, or a gift conditioned on the commercial preference to the donor or affiliated company, or gifts that vest the donor with inappropriate control over the actions of OCYCF. All final decisions on the restrictive nature of gifts, and the acceptance or refusal, shall be made by the OCYCF Board of Directors. The OCYCF Board of Directors shall have sole discretion and authority to accept restricted gifts for areas outside of the predetermined priorities of the OCYCF.

III. Permissible Gifts

Subject to the OCYCF Gift policy, the OCYCF will, in general, accept the following gifts:

- a. Outright donations

- b. Employer matching gifts
- c. Testamentary bequest
- d. In memoriam donations
- e. Charitable remainder trusts
- f. Charitable lead trust
- g. Retirement plan beneficiary designations
- h. Life insurance beneficiary designations

IV. Guidelines Relating to Acceptance of Specific Types of Assets Underlying a Proposed Gift.

Cash or Cash Equivalents:

- a. **Charitable Pledge Agreements** using Qualified Charitable Distribution arrangements.
- b. **Marketable Securities:** OCYCF accepts gifts of publicly traded stocks and bonds. Account holders may contribute publicly traded securities to the OCYCF by having a broker transfer the security in deliverable form to the OCYCF 's custody account. Upon receiving the appropriate paperwork and the donated securities in good order, the OCYCF will generally sell the securities at the earliest date possible but reserves the right to sell at any time.
- c. **Mutual Fund Account:** Generally, contributions of mutual funds require two to four weeks for processing once the OCYCF receives an original Letter of Instruction with the guaranteed signature or other acceptable signature verification attached to the donor's communication to OCYCF. From November 30th of each calendar year, special deadlines may apply to ensure delivery and acceptance of securities before the December 31st tax deadline for claiming a charitable tax deduction. Written confirmations of contributions of securities received after this tax deadline will reflect the fair market value of the securities on the date and year in which they are received.
- d. **Closely Held Securities, Intellectual Property, Life Insurance, Real estate, and Royalties:** Prior to acceptance of gifts in this category, the proposed donation will be reviewed by the OCYCF and no such donation in this category will be

deemed accepted as a donation by donor to OCYCF until approved by the OCYCF Board. Subject to OCYCF Board approval, OCYCF may accept the gift of a life insurance policy provided that OCYCF becomes the owner and the irrevocable beneficiary of the policy. If the policy is not fully paid-up by the owner or heirs, the donor shall be encouraged to make annual gifts to OCYCF sufficient to cover additional premiums. The OCYCF shall have the right to retain the life insurance policy, cash it in, or otherwise make use of its value.

Other Assets:

- e. Automobiles, Boats, and other types of vehicles: Prior to acceptance of donations in this category, the proposed donation will be reviewed by the OCYCF Board, and no such donation will be deemed accepted unless approved by the OCYCF Board, and in no event shall a potential contribution be accepted in this category unless its value in the sole opinion of the OCYCF Board exceeds \$25,000.00. If the donation of an Automobile, Boat, and other types of vehicles is accepted, the donated item will be sold as soon as practicable.
- f. Other types of gifts not mentioned herein may be acceptable subject to OCYCF Board approval.

Valuation: Subject to review and approval by the OCYCF Board of Directors. OCYCF shall not value or offer to value the contributed assets. The donor shall sign a statement of ownership and disclose any liens on the property. OCYCF will not accept any property subject to a restriction on OCYCF's ability to use, sell, or otherwise deal with the property as it deems necessary.

Real Estate Specific Guidelines: Any real estate donation will be subject to review and approval by the OCYCF Board of Directors, which may include obtaining a copy of the deed, any encumbrances, leases, current tax bill and consultation with a real estate advisor and other actions deemed appropriate. This review will occur before the real estate donation is accepted by OCYCF. No real estate donation shall be deemed accepted by OCYCF until a written acceptance of the donation is received by donor from OCYCF. OCYCF will not accept any real estate subject to a restriction on OCYCF's ability

to use, sell or otherwise deal with the property as it deems necessary. It is anticipated that OCYCF shall sell all contributed real property as soon as practicable. Costs related to acceptance of gifts of real property such as legal fees, surveying costs, hazardous waste surveys, etc., will be allocated as mutually agreed and will not affect the recorded value of the gift. Appraisal costs are the responsibility of the donor.

- V. *In-Kind Gifts*: If approved by the OCYCF Board of Directors. In-kind gifts, including supplies, equipment, and professional services, which are beneficial to the OCYCF, are acceptable. Costs incurred as a result of accepting the gift, such as transportation and storage, must be approved by the OCYCF Board of Directors.
- VI. *NO Tax Advice being Provided by OCYCF*: All prospective donors shall be urged to seek the assistance of personal legal and financial advisors in matters relating to their gift and the resulting tax and estate planning implications.
- VII. *Valuation Date of Donation*: OCYCF in the ordinary course, shall record the value of the gift on the date of gift, following generally accepted accounting principles (GAAP).
- VIII. *General Legal Compliance for Donations*: OCYCF By-Law Article V requires that no solicitation or contributions to OCYCF shall be made and no gift, bequest, or devise to OCYCF shall be accepted, upon any condition or limitation, that in the opinion of OCYCF may cause OCYCF to lose its status as a tax-exempt charitable organization.