



GIFT ACCEPTANCE POLICY

Approved by the Foundation Board of Trustees – May 26, 2015

The Minerals, Metals and Materials Society (TMS), a not for profit organization organized under the laws of the Commonwealth of Pennsylvania, encourages the solicitation and acceptance of gifts to the TMS Foundation for purposes that will help the TMS Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the TMS Foundation or for the benefit of any of its programs.

The mission of the TMS Foundation is to:

Support the development of materials professionals within the context of our global society by:

- Providing scholarships to today's most promising materials science and engineering students, and young professionals investing in the future of the profession and the industries it serves.
- Funding programs that assist young professionals in attaining the highest level of technical, professional, and leadership development.
- Supporting projects, programs, and tools that have a significant impact on materials engineering education by virtue of content, methodology, or scope.
- Investing in knowledge, people, products, and infrastructure that positively impact the quality of life in society through materials innovation.
- Support the stewardship of earth and environment by promoting minerals, metals, and materials solutions.

I. Purpose of Policies and Guidelines

The Trustees of the TMS Foundation and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the TMS Foundation. These policies and guidelines govern the acceptance of gifts by the TMS Foundation and provide guidance to prospective donors and their advisors. The provisions of these policies shall apply to all gifts received by the TMS Foundation for any of its programs or services.

II. TMS Foundation Board of Trustees

The TMS Foundation Board of Trustees is charged with the responsibility of reviewing all gifts made to TMS Foundation other than cash and securities, properly screening and accepting those gifts, and making final determinations on gift acceptance issues.

III. Use of Legal Counsel/Professional Advisors

Financial or other professional advisors will be consulted when necessary to assist the TMS Foundation Board of Trustees in making determinations on gift acceptability.

TMS Gift Acceptance Policies and Guidelines

The TMS Foundation will recommend that all prospective donors seek the assistance of legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

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

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Documents naming the TMS Foundation as Trustee or requiring TMS Foundation to act in any fiduciary capacity
- c. Gifts involving contracts or other documents requiring the TMS Foundation to assume an obligation
- d. Transactions with potential conflict of interest that may invoke IRS sanctions
- e. Other instances in which use of counsel is deemed appropriate by the TMS Foundation Board of Trustees.

IV. Conditional Gifts

Generally, the TMS Foundation will not accept conditional gifts. For the purpose of this policy a conditional gift is one that is subject to or dependent on a condition. A conditional gift can be revoked if the recipient does not fulfill the conditions attached to the gift. It is not final until some future event occurs. A donor-imposed condition on a transfer of assets or a promise to give will generally specify a future and uncertain event, the occurrence of which gives the donor a right to seek return of the assets transferred or releases the donor from its obligation to transfer assets promised. Conditional gifts can have accounting implications for the TMS Foundation and tax deductibility implications for the donor.

Conditional gifts that are strictly due to a length of time or based on a condition that is extremely probable to occur may be considered for acceptance.

V. Restrictions on Gifts

The TMS Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The TMS Foundation will not accept gifts that are too restrictive in purpose. Examples of gifts that are too restrictive include those that violate the terms of the corporate charter, gifts that are too difficult or cost prohibitive to administer, or gifts that are for purposes outside the mission of the TMS Foundation.

VI. Unacceptable Gifts

The TMS Foundation reserves the right to refuse any gift that is not consistent with its mission. In addition to, and without limiting the generality of, the following gifts will not be accepted by the TMS Foundation:

- a. Gifts that violate any federal, state, or local statute or ordinance

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- b. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest in property
- c. Gifts that are made with the condition that the proceeds will be spent by the TMS Foundation for the personal benefit of a named individual
- d. Gifts that could expose the TMS Foundation to liability.

VII. Acceptable Gifts

A. Types of acceptable gifts:

1. Cash
2. Tangible Personal Property
3. Securities
4. Real Estate
5. Remainder Interests in Property
6. Oil, Gas, and Mineral Interests
7. Life Insurance Policies
8. Charitable Remainder Trusts
9. Charitable Lead Trusts
10. Retirement Plan Beneficiary Designations
11. Bequests
12. Life Insurance Beneficiary Designations

B. The following criteria govern the acceptance of each gift form:

1. Cash: Cash gifts are acceptable in any form, including check, money order, credit card, online, Automatic Clearing House (ACH), and Electronic Fund Transfer (EFT). Checks shall be made payable to the TMS Foundation.
2. Tangible Personal Property: All gifts of tangible personal property shall be examined in light of the following criteria:
 - Does the property fulfill the mission of the TMS Foundation?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?
3. Securities: The Foundation may 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 brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt. In some cases marketable securities may be restricted by applicable securities laws; in such instance a final determination on the acceptance of the restricted securities shall be made.

Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, may be accepted subject to determination that:

- there are no restrictions on the security that would prevent the TMS Foundation from ultimately converting those assets to cash,
- the security is marketable, and
- the security will not generate any undesirable tax consequences for the TMS Foundation.

There may also be circumstances where retaining the closely held securities by TMS Foundation would be beneficial. These circumstances should be reviewed by the TMS Foundation Board of Trustees and the TMS Financial Planning Committee before acceptance.

4. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Foundation Board of Trustees and by the Foundation's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Foundation?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5. Remainder Interests in Property: The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph (4.) above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

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6. Oil, Gas, and Mineral Interests: The Foundation may accept oil and gas property interests, when appropriate. Criteria for acceptance of the property shall include:
 - Gifts of surface rights should have a value of \$20,000 or greater.
 - Gifts of oil, gas and mineral interests may be accepted after appropriate review.
 - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
 - The property should undergo an environmental review to ensure that the TMS Foundation has no current or potential exposure to environmental liability.
7. Life Insurance Policies: The TMS Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the TMS Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the TMS Foundation may:

- continue to pay the premiums,
 - convert the policy to paid up insurance, or
 - surrender the policy for its current cash value.
8. Charitable Remainder Trusts: The TMS Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Foundation Board of Trustees. The Foundation will not accept appointment as Trustee of a charitable remainder trust.
 9. Charitable Lead Trusts: The TMS Foundation may accept a designation as income beneficiary of a charitable lead trust. The Board of TMS Foundation will not accept an appointment as Trustee of a charitable lead trust.
 10. Retirement Plan Beneficiary Designations: The TMS Foundation may accept designation as a retirement plan beneficiary. Such designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
 11. Bequests: The TMS Foundation may accept bequests to the TMS Foundation under a will or trust. Such bequests will not be recorded as gifts to the TMS Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
 12. Life Insurance Beneficiary Designations: The TMS Foundation may accept being named as beneficiary or contingent beneficiary of a life insurance policy. Such

designations shall not be recorded as gifts to the TMS Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

C. Special Circumstances

1. **Corporate Matching Gifts:** The Foundation will honor a corporate/organization's matching gift policy while optimizing matching opportunities as fully as possible. If the TMS Foundation has reason to believe that a donor is not in compliance with a matching entity's policies, staff will contact the donor for clarification. Cash gifts received from organizations or corporations to match gifts from individuals who are associated with that organization will be credited to the company, with soft credit to the individual donor's record. Unless explicitly prohibited by the matching organization, these funds will be allocated to the same purpose as the individual donor's gift.
2. **Memorial, Honorary and "on Behalf of" Gifts:** Memorial and honorary gifts are encouraged by the TMS Foundation as generous and thoughtful ways to recognize people's lives and accomplishments.

VIII. Miscellaneous Provisions

Securing appraisals and legal fees for gifts to the TMS Foundation: It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Foundation.

Valuation of gifts for development purposes: The TMS Foundation will record a gift at its valuation for gift purposes on the date of gift.

Responsibility for IRS filings upon sale of gift items: TMS is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the TMS Foundation when the charitable deduction value of the item is more than \$5,000. This form must be filed within 125 days of the date of sale or disposition of the asset.

IX. Donor Acknowledgement and Recognition

Acknowledgement of all gifts made to the TMS Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the TMS Foundation Board of Trustees.

- a. General gift acknowledgement: All gifts to the TMS Foundation will receive acknowledgement as soon as practicable. A thank you letter for cash donations will be sent to each donor upon acceptance of a gift. Gifts of \$1,000 or more may also be acknowledged with a phone call from a member of the TMS Foundation Board of Trustees, staff member, or fundraising volunteer as soon as practicable following receipt of the gift.

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- b. Donor recognition: All donors contributing \$25 or more will be recognized in the TMS Annual Report, the TMS & AIME Annual Awards Banquet program, and on the TMS Foundation Honor Roll of Donors published in *JOM* and on the TMS Foundation website. Donors contributing planned gifts and direct gifts of \$5,000 or more to the TMS Foundation will be recognized as members of the TMS Foundation Honorific Societies.
- c. Anonymity: Requests for donor anonymity will be honored.
- d. Confidentiality: Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by the TMS Foundation. This information is confidential and is strictly for the use of the TMS Foundation Board of Trustees and staff. Use of this information shall be restricted to organization purposes only. Names of donors will not be provided by the TMS Foundation to other organizations, nor will any lists be sold or given to other organizations.