



DURANGO ARTS CENTER & BOARD OF DIRECTORS

802 East 2<sup>nd</sup> Avenue | Durango, CO 81301 | PH (970) 259-2606 | [www.DurangoArts.org](http://www.DurangoArts.org)

# Development Policies

## *Board of Directors Policy Statement*

DAC welcomes donations of cash, appreciated stocks, bequests and life insurance that enhance, promote, and further DAC's mission. DAC will consider donations of art, tangible property or real estate as set forth herein. The DAC Development committee will review and make a recommendation to the Finance committee of any gift valued at \$5,000 or more, or at the request of the Executive Director. Pending acceptance, the donor together with the DAC Executive Director will complete the DAC Gift Acceptance Policy (providing a copy to the donor, retaining a copy in the donor's file).

The DAC Executive Director or Director of Development will accept donations on behalf of DAC, with consideration based upon the particular gift as outlined below. For gifts valued at \$5,000 or more, DAC staff will articulate and provide a copy of this Development Policy to each prospective donor, prior to the review of the potential acceptance of the donation by the Development committee.

Donations and other forms of support will generally be considered for acceptance from individuals, partnerships, corporations, foundations, government agencies, or entities formed to support the arts.

DAC does not accept donations from the marijuana industry.

All charitable gifts and in-kind donations to DAC are recorded by the name of the donor and include the gift date, gift purpose and value. Acknowledgements are sent to donors as directed by the Director of Development for gifts that qualify for income tax charitable deductions as allowed by the Internal Revenue Service. Acknowledgment letters are prepared on DAC letterhead and signed by the Executive Director, mailed in a timely fashion following receipt of the donation. As appropriate, phone calls or hand-written notes of gratitude from board members or DAC program staff will follow organizational acknowledgements.

*Currently DAC accepts donations of cash, gifts of appreciated stock, bequests and beneficiary designations under revocable trusts, life insurance policies and retirement plans, charitable remainder trusts, charitable lead trusts. DAC will give consideration to the possible donation of art—tangible personal property and real estate.*

### **CASH**

DAC receives cash donations (US currency) in any form. Checks should be made payable to "The Durango Arts Center." Credit card payments and fund transfers (including wire and ACH transfers) are also acceptable.

### **GIFTS OF APPRECIATED STOCK**

Securities are received (donor is responsible for any fees associated with transfer of gift) into the investment account maintained by the Durango Arts Center at Raymond James Financial Services (located within the First National Bank of Durango, 259 West 9th Street, Durango CO 81301). Under

Approved by the Durango Arts Center Board of Directors 12/14/2016



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most circumstances, gifts of stock will be liquidated upon receipt into the above account, per the arrangement between the Durango Arts Center and Raymond James Financial Services, however, DAC shall have the right to invest and reinvest any funds held by it, according to the judgment of the Finance Committee and Board of Directors.

### **BEQUESTS AND BENEFICIARY DESIGNATIONS UNDER REVOCABLE TRUSTS, LIFE INSURANCE POLICIES AND RETIREMENT PLANS**

Donors are encouraged to make bequests to DAC within their wills, or to name DAC as the beneficiary under trusts, life insurance policies, or retirement plans. Donors are encouraged to advise the Executive Director or Director of Development of their future donation, to ensure for proper documentation and to be celebrated (pending permission of the donor) as a member of the DAC legacy program.

### **CHARITABLE REMAINDER TRUSTS**

DAC will accept designation as a remainder beneficiary of charitable remainder trusts.

### **CHARITABLE LEAD TRUSTS**

DAC will accept designation as an income beneficiary of charitable lead trusts.

### **ART—TANGIBLE PERSONAL PROPERTY**

Although DAC is not a museum with permanent collections, gifts of art, furniture, books, stamps, coins or other collections will be considered. Such gifts must have values assessed by properly accredited independent appraisers paid for *and* retained by the potential donor for appropriate gift tax credit. DAC will acknowledge receipt of such properties but will not verify or name in the donation acknowledgement the value. DAC reserves the right to sell art, furniture, books, stamps, coins or other collections, transferring the cash into the DAC operating budget. The DAC Development committee will consider the acceptance of a potential gift in each circumstance.

### **REAL ESTATE**

DAC may accept gifts of developed or undeveloped real estate. In deciding whether to accept such property DAC will consider whether the property is useful for DAC purposes, whether it is marketable, and whether the property should be sold at the time, or in the future, at the discretion of DAC and with the full consent shared by the DAC Executive Director, Finance Committee and Board of Directors. In addition, prior to any acceptance of real property, the donor shall do the following, the results of which shall be shared with DAC and shall be considered by DAC Development committee in its decision: For all real estate, allow for a visual environmental site inspection by a qualified professional on behalf of DAC, which must result in at least a satisfactory evaluation.

For non-residential real estate, perform, at the donor's expense, a Phase 1 Environmental Audit;

Provide DAC, at the donor's expenses with a current, qualified appraisal;

Provide DAC, at the donor's expense, with the results of a title search, recent tax statements;

Disclose and satisfy any mortgage or encumbrance on the property; and

Disclose any carrying costs (including maintenance, insurance, condo or coop fees).

If the property is aligned with a Home Owners Association, copies of not less than 18 months of the most recent Association minutes will be provided to DAC for review.



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**DURANGO ARTS CENTER DONATION PARAMETERS:**

At the present time DAC does not accept the donation of distributions from Commercial Annuities; Oil, Gas and Mineral Interests, Timeshares or partial interests in real estate; Business interests; Closely held securities; Animals; Automobiles, Boats or other vehicles.

DAC will not accept gifts that (a) violate its corporate charter, (b) would result in DAC jeopardizing or losing its IRS 501 ( c ) 3 non-profit status, (c) are deemed too difficult or too expensive to administer in relation to their value, (d) are for purposes outside the DAC mission.

When considering whether to accept gifts, the DAC Development committee will consider the following:

**Values**-Is the gift one that is consistent with DAC's standards, principles, and core values?

**Source of the Gift**-Who is the donor? Is the gift from an individual, a business or corporation? Does that gift represent a perceived conflict of interest, or might the donor's objectives (or source of their income) not fit with DAC's mission?

**Compatibility**-Will the gift unnecessarily challenge DAC's ability to further its mission, goals or objectives?

**Public Relations**-Does acceptance of the gift have the potential to damage the reputation of DAC?

**Motivation**-Is there a clear charitable intent and commitment to DAC?

**Consistency**-Is acceptance of the gift consistent with prior practice? Conversely, is DAC prepared to accept other "like" gifts?

**Form of Gift**-Is the gift offered in a form that DAC can use without incurring expense or difficulty?

**Effect on Future Giving**-Will the gift encourage or discourage future gifts (from the donor/from other donors)?

**Organizational Stability**-If controversy develops, will it be significant enough to weaken DAC?

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