

THE EXPLORATION FOUNDATION

GIFT ACCEPTANCE POLICY AND GUIDELINES

The Exploration Foundation, a Hawaii non-profit organization, described under IRC §501(c)(3), encourages the solicitation and acceptance of gifts for purposes that will help Exploration Foundation to further and fulfill its mission. The following policy and guidelines apply to the acceptance of gifts made to Exploration Foundation or for the benefit of any of its programs.

Mission Statement

The Exploration Foundation is a non-profit organization whose mission is to promote educational innovation through outreach, technical assistance and advocacy.

I. Purpose of Policy and Guidelines

The Board of Directors, officers and staff of Exploration Foundation encourage the solicitation and acceptance of gifts which enable the foundation to fulfill its mission and purposes. This policy is designed to provide guidance to Exploration Foundation officials and the general public so as to facilitate the gift giving process. Gifts may be solicited from individuals, corporations, foundations and other entities to secure the future growth and mission of Exploration Foundation. The provisions of this policy shall apply to all gifts received by Exploration Foundation.

Routine gifts (as described in Section V below) are accepted and administered through the Treasurer, with final authority to accept routine gifts lying with the Foundation's Board of Directors.

II. Use of Legal Counsel

Exploration Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate.

III. Conflict of Interest

While Exploration Foundation officers and staff strive to maintain a high level of familiarity with current tax laws and policies, neither they nor other Exploration Foundation officials are able to give legal or tax advice to donors.

IV. Restrictions on Gifts

Exploration Foundation will generally accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with Exploration Foundation's mission, purposes, and priorities. Exploration Foundation will not accept gifts that are too restrictive in purpose.

V. Types of Gifts

The following gifts are generally acceptable:

- Cash
- Tangible Personal Property
- Marketable Securities
- Real Estate
- Remainder Interests In Property
- Life Insurance Policies
- Bequests

The following criteria govern the acceptance of each gift form:

- 1) **Cash/Checks.** Unrestricted cash or a check is acceptable in any form. Checks shall be made payable to Exploration Foundation and shall be delivered to 73-4460 Queen Ka`ahumanu Hwy, #105, Kailua Kona, Hawaii 96740, to the attention of the Treasurer.
- 2) **Tangible Personal Property.** Gifts of tangible personal property (gifts-in-kind), including, but not limited to, works of art, manuscripts, literary works, motor vehicles, and computer hardware, can be accepted only after a thorough review indicates that the property is readily marketable or is needed by Exploration Foundation for use in a manner which is related to Exploration Foundation's purpose.
- 3) **Securities.** Exploration Foundation will consider accepting publicly traded securities. These are securities regularly traded on a public stock exchange. These 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 publicly traded securities shall be sold upon receipt.
- 4) **Real Estate.**
 - (A) **Factors to Consider.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Gifts of real estate must be reviewed prior to acceptance and will require the following documentation and information.
 - **Market Value and Marketability.** Exploration Foundation must receive a reasonably current appraisal of the fair market value of the property and interest in the property or asset Exploration Foundation would receive if the proposed gift is approved.

- **Potential Environmental Risks.** All proposed gifts of real estate, including gifts from estates, must be accompanied by a Phase I environmental audit performed at the donor's expense. Exploration Foundation may require that the donor sign an environmental indemnity agreement.
- **Limitations and Encumbrances.** No gift of real estate will be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged.
- **Carrying Costs.** The existence and amount of any carrying costs must be disclosed.
- **Title Information.** A copy of any title information in the possession of the donor, such as the most recent survey of the property and a title insurance policy or title certificate, and a copy of a recent UCC search regarding personal property (if any) must be furnished.

(B) **Approval/Acceptance Process.** The Treasurer will prepare a written summary of the gift proposal and submit that summary to the Board for approval.

The Board will review the material presented by the Treasurer and make a determination to accept or reject the proposed gift of real property or, if necessary, to postpone a decision pending the receipt of additional information.

- 5) **Life Insurance Policies.** If a gift of life insurance is acceptable, Exploration 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.
- 6) **Bequests.** Donors and supporters of Exploration Foundation will be encouraged to make bequests to Exploration Foundation under their wills and trusts. Such bequests will not be recorded as gifts to Exploration Foundation until such time as the gift is irrevocable.

VI. Miscellaneous Provisions

Securing appraisals and legal fees for gifts to Exploration Foundation. It will be the responsibility of the donor to secure and pay for a qualified appraisal (where required) and seek and pay for independent legal counsel for all gifts made to Exploration Foundation.

VII. Changes to Gift Acceptance Policy

This policy and guidelines have been reviewed and accepted by the Board of Directors of Exploration Foundation.

Name(s) shown on your income tax return

Identifying number

Section B—Appraisal Summary—List in this section only items (or groups of similar items) for which you claimed a deduction of more than \$5,000 per item or group. Exception. Report contributions of certain publicly traded securities only in Section A.

If you donated art, you may have to attach the complete appraisal. See the Note in Part I below.

Part I Information on Donated Property—To be completed by the taxpayer and/or appraiser.

4 Check type of property:

- Art* (contribution of \$20,000 or more) Real Estate Gems/Jewelry Stamp Collections
Art* (contribution of less than \$20,000) Coin Collections Books Other

*Art includes paintings, sculptures, watercolors, prints, drawings, ceramics, antique furniture, decorative arts, textiles, carpets, silver, rare manuscripts, historical memorabilia, and other similar objects.

Note: If your total art contribution deduction was \$20,000 or more, you must attach a complete copy of the signed appraisal. See instructions.

Table with 3 columns: (a) Description of donated property, (b) If tangible property was donated, give a brief summary of the overall physical condition at the time of the gift, (c) Appraised fair market value. Rows A, B, C, D.

Table with 6 columns: (d) Date acquired by donor, (e) How acquired by donor, (f) Donor's cost or adjusted basis, (g) For bargain sales, enter amount received, (h) Amount claimed as a deduction, (i) Average trading price of securities. Rows A, B, C, D.

Part II Taxpayer (Donor) Statement—List each item included in Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Part I and describe the specific item. See instructions.

Signature of taxpayer (donor) Date

Part III Declaration of Appraiser

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons.

Also, I declare that I hold myself out to the public as an appraiser or perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued.

Sign Here Signature Title Date of appraisal

Business address (including room or suite no.) Identifying number

City or town, state, and ZIP code

Part IV Donee Acknowledgment—To be completed by the charitable organization.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on (Date)

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 2 years after the date of receipt, it will file Form 8282, Donee Information Return, with the IRS and give the donor a copy of that form.

Does the organization intend to use the property for an unrelated use? Yes No

Name of charitable organization (donee) Employer identification number
Address (number, street, and room or suite no.) City or town, state, and ZIP code
Authorized signature Title Date