

OPERA IDAHO, INC. GIFT ACCEPTANCE POLICIES AND GUIDELINES

Opera Idaho, Inc., a non-profit organization organized under the laws of the State of Idaho and under IRS rules as a 501(c)(3) corporation, encourages the solicitation and acceptance of gifts to Opera Idaho, Inc. for purposes that will help Opera Idaho, Inc. to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to Opera Idaho, Inc. or for the benefit of any of its programs.

The primary mission of Opera Idaho, Inc. is to fund and produce opera of the highest possible professional standard, in Boise and throughout the State of Idaho, and to foster wider acceptance, appreciation and enjoyment of opera and related art forms in young people and adults of all social and economic backgrounds, through diverse educational and outreach programs.

All gifts contemplated or made under these policies shall be directed to:

Opera Idaho, Inc.
515 South 9th St.
Boise, ID 83702

For tax purposes, this tax identification number may be required: FEIN# 23-7331238

I. Purpose of Policies and Guidelines

The Board of Directors of Opera Idaho, Inc. and its staff solicit current and deferred gifts from individuals, corporations, foundations, and other sources to secure the future growth and missions of Opera Idaho, Inc. These policies and guidelines govern the acceptance of gifts by Opera Idaho, Inc. and provide guidance to prospective donors and their advisors when making gifts to Opera Idaho, Inc. The provisions of these policies shall apply to all gifts received by Opera Idaho, Inc. for any of its programs or services.

II. Use of Legal Counsel

Opera Idaho, Inc. shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- 1) Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- 2) Documents naming Opera Idaho, Inc. as Trustee.
- 3) Gifts involving contracts, such as bargain sales or other documents requiring Opera Idaho, Inc. to assume an obligation.
- 4) Transactions with potential conflict of interest that may invoke IRS sanctions.

III. Other instances in which use of counsel is deemed appropriate by the Gift

Acceptance Committee. **Conflict of Interest**

Opera Idaho, Inc. will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Opera Idaho, Inc. will comply with the *Model Standards of Practice for the Charitable Gift Planner* promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

IV. Restrictions on Gifts

Opera Idaho, Inc. 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. Opera Idaho, Inc. will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of Opera Idaho, Inc. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee of Opera Idaho, Inc.

V. The Gift Acceptance Committee

The Gift Acceptance Committee shall consist of:

- 1) the President of the Board of Directors of Opera Idaho, Inc.;

- 2) the Treasurer of the Board of Directors of Opera Idaho, Inc.;
- 3) the Chair of the Fund Development Committee or his/her designee;
- 4) special members, as appointed on a case-by-case basis by the President of the Board of Directors, whose particular expertise may be needed by Opera Idaho, Inc.; and
- 5) the General Director of Opera Idaho, Inc., Ex-officio.

The Gift Acceptance Committee is charged with the responsibility of reviewing gifts made to Opera Idaho, Inc., with the exception of those indicated in Section VI.2. properly screening and accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate.

VI. Types of Gifts

- 1) The following gifts are acceptable as noted in section 2 below
 - Cash.
 - Tangible Personal Property.
 - Publicly Traded Securities.
 - Real Estate.
 - Remainder Interests in Property.
 - Oil, Gas, and Mineral Interests.
 - Bargain Sales.
 - Life Insurance.
 - Charitable Remainder Trusts.
 - Charitable Lead Trusts.
 - Retirement Plan Beneficiary Designations.
 - Bequests.
 - Life Insurance Beneficiary Designations.
 - Software & Intellectual Property.
 - Cryptocurrency.
 - Artwork.
- 2) The following criteria govern the acceptance of each gift form:

Cash. Cash is acceptable in any form. Outright gifts of cash are not subject to approval by the Gift Acceptance Committee. Checks shall be made payable to Opera Idaho, Inc. and shall be delivered to the Director of Development & Marketing or his/her designee, in Opera Idaho, Inc.'s administrative offices, 513 South 8th Street, Boise Idaho, 83702, or at such future locations as may be designated as Opera Idaho Inc.'s administrative offices.

Tangible Personal Property. All gifts of tangible personal property are subject to the approval of the Gift Acceptance Committee and shall be examined in light of the following criteria:

- Does the property fulfill the mission of Opera Idaho, Inc.?
- 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?

Publicly Traded Securities. Marketable securities are not subject to the approval of the Gift Acceptance Committee and may be transferred to an account maintained at one or more brokerage firms. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Administrative/Finance Committee. In some cases, marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Gift Acceptance Committee of Opera Idaho, Inc.

Real Estate. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Such gifts are subject to the approval of the Gift Acceptance Committee. Prior to acceptance of real estate, Opera Idaho, Inc. shall require an initial environmental review of the property to ensure that the property has no environmental damage. Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, Opera Idaho, Inc. 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 Opera Idaho, Inc. prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of Opera Idaho, Inc.?
- 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?

Should the real estate gift be intended by the donor to fund a purpose or position requiring a minimum amount and the sale proceeds be less than that amount, regardless of the appraisal/gift amount, the donor will provide the difference.

Remainder Interests in Property. Opera Idaho, Inc. will accept a remainder interest in a personal residence, farm, or vacation property subject to the approval of the Gift Acceptance Committee and provisions of paragraph IV 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, Opera Idaho, Inc. may use the property or reduce it to cash. Where Opera Idaho, Inc. receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor.

Oil, Gas, and Mineral Interests. Opera Idaho, Inc. may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Gift Acceptance Committee, and if necessary, by Opera Idaho, Inc.'s legal counsel. Criteria for acceptance of the property shall include:

- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate
- A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax

consequences.

- The property should undergo an environmental review to ensure that Opera Idaho, Inc. has no current or potential exposure to environmental liability.

Bargain Sales. Opera Idaho, Inc. will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of Opera Idaho, Inc. All bargain sales must be approved by the Gift Acceptance Committee. Factors used in determining the appropriateness of the transaction include:

- Opera Idaho, Inc. must obtain an independent appraisal substantiating the value of the property.
- If Opera Idaho, Inc. assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- Opera Idaho, Inc. must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
- Opera Idaho, Inc. must calculate the costs to safeguard, insure, and maintain the property (including property tax, if applicable) during the holding period.

Life Insurance. Such gifts are subject to the approval of the Gift Acceptance Committee. Opera Idaho, Inc. 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, Opera Idaho, Inc. 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, Opera Idaho, Inc. may:

- continue to pay the premiums;
- convert the policy to paid up insurance; or
- surrender the policy for its current cash value.

Charitable Remainder Trusts. Opera Idaho, Inc. may accept designation as

remainder beneficiary of a charitable remainder trust. Such designations are not subject to the approval of the Gift Acceptance Committee. Opera Idaho, Inc. will not accept appointment as trustee of a charitable remainder trust.

Charitable Lead Trusts. Opera Idaho, Inc. may accept a designation as income beneficiary of a charitable lead trust. Such designations are not subject to the approval of the Gift Acceptance Committee. The Board of Opera Idaho, Inc. will not accept an appointment as Trustee of a charitable lead trust.

Retirement Plan Beneficiary Designations. Donors and supporters of Opera Idaho, Inc. will be encouraged to name Opera Idaho, Inc. as beneficiary of their retirement plans. Such designations are not subject to the approval of the Gift Acceptance Committee and will not be recorded as gifts to Opera Idaho, Inc. 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.

Bequests. Donors and supporters of Opera Idaho, Inc. will be encouraged to make bequests to Opera Idaho, Inc. under their wills and trusts. Such gifts are not subject to the approval of the Gift Acceptance Committee. Documented bequests will be recorded as gifts to Opera Idaho, Inc. at a value of \$1 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.

Life Insurance Beneficiary Designations. Donors and supporters of Opera Idaho, Inc. will be encouraged to name Opera Idaho, Inc. as beneficiary or contingent beneficiary of their life insurance policies. Such designations are not subject to the approval of the Gift Acceptance Committee and will be recorded as gifts to Opera Idaho, Inc. at a value of \$1 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.

Software & Intellectual Property. Opera Idaho, Inc. will accept gifts of software and intellectual property (patents, copyrights, trademarks, etc.) to support its operations and mission subject to the approval of the Gift Acceptance Committee. Use of software or intellectual property is not considered a charitable gift and will not be recorded as such. When such property is transferred as a charitable gift, the discounted value of the software and/or maintenance agreement will be recorded. The software donation processing cover page is attached as an appendix to these policies. Opera Idaho, Inc. will consult with legal counsel regarding valuation of gifts of other forms of intellectual property.

Cryptocurrency. Opera Idaho, Inc. will accept gifts of cryptocurrency – natively digital assets – through a merchant processor to liquidate the assets and convert to cash. Such gifts are subject to the approval of the Gift Acceptance Committee.

Artwork. Opera Idaho, Inc. will accept gifts of artwork to support, subject to the approval of the Gift Acceptance Committee.

VII. **Miscellaneous Provisions**

Securing appraisals and legal fees for gifts to Opera Idaho, Inc. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to Opera Idaho, Inc.

Valuation of gifts for development purposes. Opera Idaho, Inc. will record a gift received by Opera Idaho, Inc. at its valuation for gift purposes on the date of gift, subject to IRS guidelines and Opera Idaho, Inc. policies and procedures.

Responsibility for IRS Filings upon sale of gift items. The Administrative/Finance Committee of Opera Idaho, Inc. is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by Opera Idaho, Inc. when the charitable deduction value of the item is more than \$5,000. Opera Idaho, Inc. must file

this form within 125 days of the date of sale or disposition of the asset. Form 8282 and Filing Instructions are attached as an appendix to these policies.

Acknowledgement of all gifts made to Opera Idaho, Inc. and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of

Directors of Opera Idaho, Inc. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* are attached to these policies as an Appendix.

VIII. **Changes to Gift Acceptance Policies**

These policies and guidelines have been reviewed and accepted by the Gift Acceptance Committee of Opera Idaho, Inc. The Gift Acceptance Committee of Opera Idaho, Inc. must approve any changes to, or deviations from, these policies.

Approved on the 13th day of December, 2018

President, Board of Directors, Opera Idaho, Inc.

General Director, Opera Idaho, Inc.

IX. **Appendices**

Model Standards of Practice of the Charitable Gift Planner

Environmental Review Forms

IRS Form 8282 and Instructions.

IRS Publication 561 *Determining the Value of Donated Property*. IRS Publication 526 *Charitable Contributions*.

Software Donation Processing Cover Page.