

BERKELEY REPERTORY THEATRE GIFT ACCEPTANCE POLICIES AND GUIDELINES

Berkeley Repertory Theatre (“Berkeley Rep” or “the Theatre”), a not-for-profit organization organized under the laws of the State of California, encourages the solicitation and acceptance of gifts to Berkeley Rep for purposes that will help the Theatre to further and fulfill its mission. The following policies and guidelines govern the acceptance of gifts made to Berkeley Rep or for the benefit of any of Berkeley Rep’s programs.

Mission Statement

Berkeley Repertory Theatre seeks to set a national standard for ambitious programming, engagement with its audiences and leadership within the community in which it resides. We endeavor to create a diverse body of work that expresses a rigorous, embracing aesthetic and reflects the highest artistic standards, and seek to maintain an environment in which talented artists can do their best work. We strive to engage our audiences in an ongoing dialogue of ideas, and encourage lifelong learning as a core community value. Through productions, outreach and education, Berkeley Rep aspires to use theatre as a means to challenge, thrill and galvanize what is best in the human spirit.

I. Purpose of Policies and Guidelines

Berkeley Rep’s Board of Trustees and its staff solicit current and deferred gifts from individuals, corporations, foundations, and government agencies to secure the Theatre’s long-term financial viability and carry out its mission. These policies and guidelines govern the acceptance of gifts by Berkeley Rep and provide guidance to prospective donors and their advisors as they make gifts to the Theatre. These policies shall apply to all gifts Berkeley Rep receives for any of its programs or services.

II. Code of Ethics

The Donor Bill of Rights (Exhibit A) will guide the solicitation of contributions. Berkeley Rep will also adhere to the Association of Fundraising Professionals’ Code of Ethical Principles and Standards of Professional Practice (Exhibit B). Regarding planned gifts, Berkeley Rep will comply with the Partnership for Philanthropic Planning’s Model Standards of Practice for the Charitable Gift Planner (Exhibit C). Key principles in all donor interactions include safeguarding confidentiality, including anonymity when requested, and operating transparently.

III. Use of Counsel

Berkeley Rep will seek the advice of legal or other counsel in matters relating to acceptance of gifts where appropriate, such as:

- review of closely held stock transfers that are subject to restrictions or buy-sell agreements;
- review of documents naming Berkeley Rep as trustee;
- review of all gifts involving contracts or other documents requiring Berkeley Rep to assume an obligation, such as bargain sales;
- review of documents placing any extraordinary responsibilities on Berkeley Rep;
- review of all transactions with potential conflict of interest that may invoke IRS sanctions or California Franchise Tax Board sanctions;

- other instances in which the Managing Director, Director of Development, or Gift Acceptance Committee deems use of counsel appropriate.

IV. **Counsel to Donors**

Prospective donors shall be strongly urged to seek the assistance of independent legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Berkeley Rep cannot and will not assume responsibility for such tax and estate planning, or directly or indirectly employ or compensate legal and tax counsel on behalf of a donor.

V. **Gift Definition**

A gift is defined generally as a voluntary transfer of assets from a person or an organization to Berkeley Rep where no goods or services are expected, implied, or forthcoming for the donor in exchange.

- Berkeley Rep encourages unrestricted gifts. Gifts are not generally subject to an exchange of consideration or other contractual obligation between Berkeley Rep and the donor except for certain deferred gifts. A donor may, however, state objectives and restrict funds to a certain purpose (a "Restricted Purpose"). Any restricted purpose must be consistent with Berkeley Rep's stated mission and priorities, must be clearly stated in the donor's gift instrument, and must be approved by the Board of Trustees prior to acceptance (see Berkeley Repertory Theatre Endowment Fund Permanent Endowment Fund Policy, Exhibit D).
- Gifts to Berkeley Rep are irrevocable. Berkeley Rep is not obliged to return unexpended funds. If for some reason Berkeley Rep is unable to comply with the donor's intent or the gift has been misdirected to Berkeley Rep, the Managing Director may authorize return of the gift, less any out-of-pocket expenses incurred.

VI. **Gift Acceptance**

Both the Managing Director and Director of Development have the authority to accept gifts or refer them to a Gift Acceptance Committee composed of the Executive Committee of the Board of Trustees or its designees and the Director of Development. The Gift Acceptance Committee has the authority to determine whether or not issues related to the gift in question can be satisfactorily resolved and to accept or reject the gift. The Gift Acceptance Committee may request additional information from the donor and consult with professional advisors at its discretion in order to reach a conclusion.

A gift is not "accepted" until it has been deposited into a Berkeley Rep account, in the case of cash, or when Berkeley Rep has confirmed its acceptance of the gift in writing to the donor. Once Berkeley Rep has accepted a gift, it becomes Berkeley Rep's property, after which time the donor has no direct decision-making power regarding the disposition of the gift.

VII. **Gift Acceptance Conditions**

Berkeley Rep will accept only gifts that are:

- compatible with the mission and core values of Berkeley Rep and its programs;

- in compliance with the U.S. Internal Revenue Code (IRC) and other federal or state statutes, regulations, rulings, or court decisions that stipulate the conditions under which contributions can be tax-favored; and
- compatible with Berkeley Rep's corporate charter and its tax-exempt status.

Berkeley Rep will not accept any gift that:

- violates any federal, state, or local statute or ordinance;
- contains restrictive clauses that would or could be reasonably concluded to compromise the ethics or professional responsibilities or fiduciary duties of Berkeley Rep's Board or employees, or that reserve to the donor or his/her representative the right to designate the recipient;
- contains a condition that requires any action on the part of Berkeley Rep or other restrictive clauses not acceptable to Berkeley Rep's Managing Director or the Gift Acceptance Committee;
- is potentially revocable in any way;
- requires Berkeley Rep to employ or contract with a specified person;
- contains conditions that, in the opinion of Berkeley Rep's Managing Director or the Gift Acceptance Committee, are unreasonable;
- except in the case of "split interest" agreements, requires payments to, or for the benefit of, the donor, a family member of the donor, or any other person;
- exposes Berkeley Rep to a possibility of litigation or other potential liabilities;
- requires the payment of maintenance costs or other expenses (e.g., debt service) for which no specific provision has been made, generates unrelated business income to Berkeley Rep, or which, in the opinion of Berkeley Rep's Managing Director or Gift Acceptance Committee, would be financially unsound;
- includes restrictions or special arrangements requested by the donor concerning disposition (e.g., price considerations, time duration prior to disposition, potential buyers, realtors or brokers with whom the donor would like Berkeley Rep to list the property, etc.) which are not acceptable in the opinion of Berkeley Rep's Managing Director or the Gift Acceptance Committee.

Berkeley Rep reserves the right to refuse or revoke any gift that in the opinion of Berkeley Rep's Managing Director or Gift Acceptance Committee, does not provide sufficient financial benefit to the Theatre, puts the assets or reputation of the Theatre at risk, or is too difficult to administer.

VIII. Types of gifts

A. The following gifts are examples of approved gifts, subject to the criteria set forth below:

- Cash or Cash Equivalents
- Pledges
- Securities
- Real Estate
- Remainder Interests in Property
- Tangible Personal Property
- Intangible Personal Property
- Bargain Sales
- Life Insurance
- Retirement Plan Beneficiary Designations

- Bequests
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Charitable Gift Annuities

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

1. Cash or Cash Equivalents: Cash in any form, such as currency, coins, checks, credit card sales, drafts, traveler's checks, wire transfers, and money orders, will be accepted regardless of the amount, unless the Gift Acceptance Committee, upon referral from the Managing Director, determines otherwise. Berkeley Rep also accepts grant recommendations from Donor-Advised Funds ("DAFs") and abides by the Guidelines for Accepting Donor-Advised Funds adopted by multiple Bay Area arts and cultural organizations (Exhibit E). Checks shall be made payable to Berkeley Repertory Theatre and shall be delivered to 999 Harrison St, Berkeley, CA 94710, Attn.: Development Department.

Donors should consult a representative of their financial institution to make contributions via wire transfer. Donors also should notify Berkeley Rep's Development Department when such transfers are initiated to ensure appropriate and timely gift acknowledgement and that the gift is credited to the proper Berkeley Rep account.

2. Pledges: Pledges are gifts to be paid in installments by a donor within an agreed-upon timeframe. Pledges should be in writing and should generally not exceed five years.
3. Securities: Berkeley Rep accepts publicly traded securities and may accept closely held securities as provided below. (See also Berkeley Rep's Instructions for Making a Gift of Stock, Exhibit F.)
 - a) Publicly Traded Securities: Marketable securities that are traded on any U.S. or foreign exchange 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. To ensure timely gift acknowledgement, donors should notify Berkeley Rep's Development Department in advance of the securities being gifted as to the number and type of shares, the intended gift date, and any restrictions on the proposed use of the gift.

As a general rule, all marketable securities shall be sold upon receipt unless Berkeley Rep's Finance Committee, upon referral by the Managing Director, directs otherwise. In some cases, sales of marketable securities may be restricted by applicable securities laws; in such instance, the final determination of the acceptance of the restricted securities shall be made by the Managing Director in consultation with Berkeley Rep's Finance Committee and/or Gift Acceptance Committee.

- b) 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 the approval of the Managing Director in consultation with Berkeley Rep's Finance Committee and/or Gift Acceptance Committee. However, gifts must be reviewed prior to acceptance to determine that:
 - there are no restrictions on the security that would prevent Berkeley Rep from ultimately converting those assets to cash,
 - the security is marketable within a reasonable period of time, and
 - the security will not generate any undesirable tax consequences for Berkeley Rep.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Managing Director in consultation with Berkeley Rep's Finance Committee and/or Gift Acceptance Committee and legal counsel where necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. Real Estate: Gifts of unencumbered real estate, both improved and unimproved, will be accepted subject to the approval of the Gift Acceptance Committee and legal counsel, if necessary.

All gifts of real estate shall be examined by the Gift Acceptance Committee in light of the following criteria:

- Is the property immediately needed by Berkeley Rep for use in the furtherance of its mission?
- Can the property be sold within a reasonable period, e.g. one year?
- Are there any restrictions, reservations, easements, or other limitations associated with the property or any other issued with respect to title to the property?
- Are there carrying costs, which may include but are not limited to insurance, property taxes, mortgages, security, or notes, etc., associated with the property?
- Are there any tax implications?
- Does the environmental report or audit reflect that the property is subject to any environment concerns?

The donor generally will be required to submit the following supporting information, if applicable:

- a) A title insurance commitment showing marketable title in the donor's name, free and clear of unacceptable encumbrances, issued by a reputable title insurance company;
- b) An appraisal by an Appraisal Institute-accredited appraiser;
- c) A phase one environmental report by a qualified engineer indicating that ownership will not expose Berkeley Rep to environmental liabilities;
- d) A market feasibility study for purposes of liquidation, if available;
- e) Evidence of compliance with the Americans with Disabilities Act (ADA);
- f) A structural engineering report;
- g) For commercial property, a copy of each lease and sublease;
- h) A disclosure statement for residential property;
- i) An indemnity to Berkeley Rep against claims arising from or relating to the property; and
- j) Any other information requested by the Gift Acceptance Committee that may affect the value or marketability of the property.

Under U.S. Treasury regulations, a donor must pay for any initial appraisal made on the property. Unless waived by the Gift Acceptance Committee, it is the responsibility of the donor to cover all the costs in transfer of the property, including the cost of compliance with the above requirements and including a title insurance policy.

5. Remainder Interests in Property: A gift of real property with a retained life estate involves the transfer to Berkeley Rep of the title of a personal residence, farm, or vacation home, where the donor or another person retains use of the property for a term of years or the life/lives of the donor

and/or another person. Berkeley Rep will accept such remainder interests subject to the provisions set forth in REAL ESTATE, above, as well as such conditions as may be imposed by the Gift Acceptance Committee for the protection of Berkeley Rep during the period of the retained donor interest. Where Berkeley Rep receives a gift of a remainder interest, the donor and/or primary beneficiary remain responsible for the payment of mortgages, taxes, insurance, utilities, maintenance/repairs, and all other costs associated with the property.

6. Personal Property:

A. Tangible Personal Property: All proposed gifts of tangible personal property (gifts in-kind) will be examined in light of the following criteria:

- Is the property immediately needed by Berkeley Rep for use in furtherance of its mission?
- Is the property marketable?
- Is the property free and clear of encumbrances?
- Are there any carrying costs for the property?
- Are there any environmental hazards?
- Are there any tax implications?

The Managing Director and the Development Director are authorized to accept gifts of tangible personal property. If the answer to any of the questions above is “no,” staff may refer proposed gifts of tangible personal property to the Gift Acceptance Committee for review.

For purposes of itemized tax deductions, the value of gifts of tangible personal property must be determined by the donor (see In-Kind Donation form, Exhibit G); Berkeley Rep will not be responsible for any valuation or tax reporting by the donor. For gifts in-kind with an estimated fair market value of less than \$5,000, the donor must furnish Berkeley Rep with the following information:

- a) Donor’s name, address and telephone number
- b) Contact person if the donor is a business entity

Should the donor wish to claim a tax deduction for donations of personal property with an estimated fair market value over \$5,000, the donor must furnish, in addition to the information referenced above:

- a) An independent evaluation from a qualified appraiser no more than 60 days prior to the date of donation; and
- b) Verification that the donor has met the reporting requirements for IRS Form 8283 (Exhibit H), *Non-Cash Charitable Contributions Appraisal Summary*.

There may be exceptions to the appraisal requirements for personal property with an estimated fair market value of \$5,000 or more. Prospective donors are encouraged to consult IRS Publication 561, *Determining the Value of Donated Property* and seek independent professional counsel as necessary.

B. Intangible Personal Property: The Gift Acceptance Committee will review gifts of intangible personal property, not included in TANGIBLE PERSONAL PROPERTY above, including but not limited to mortgages, notes, patents, copyrights, royalties, partnership interests, closely held business interests, undivided interests in property, future and partial interests and other illiquid financial assets.

The donor must provide a written summary of the proposed gift, including, at a minimum, the following information:

- a) A description of the asset;
 - b) How and when it was acquired by the donor;
 - c) Documentation regarding any governmental filings or registrations relating to the asset (e.g. patents, copyrights, trademarks);
 - d) An estimate or appraisal of the asset's fair market value and marketability;
 - e) Potential for income and expenses, encumbrances, and carrying costs prior to disposition; and
 - f) The credit history or financial statement of the financially responsible party, if applicable.
7. **Bargain Sales:** A bargain sale is a sale of property for an amount less than the property's current fair market value. The excess of the fair market value over the sales price generally represents a contribution to Berkeley Rep. The Gift Acceptance Committee may, with the advice of legal counsel, approve the purchase of real estate, securities, or other property on a bargain sale basis. In reviewing a bargain sale, Berkeley Rep must:
- Obtain an independent appraisal substantiating the value of the property,
 - Ensure that any debt assumed with the property is less than 50% of the appraised market value
 - Determine a use for the property or that it can be sold within 12 months, and
 - Calculate the costs to safeguard, insure, and pay all expenses relating to the property (including property tax, if applicable) during the holding period.
8. **Life Insurance:** Berkeley Rep's Managing Director and Development Director are authorized, in their discretion, to accept gifts of life insurance policies which meet the guidelines specified below. A donor may name Berkeley Rep as the beneficiary or contingent beneficiary of a new or existing life insurance policy, or transfer ownership of a new or existing insurance policy to Berkeley Rep. Berkeley Rep must be named as both owner and beneficiary 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, Berkeley Rep 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, Berkeley Rep may:
- convert the policy to a paid-up lesser amount,
 - surrender the policy for its current cash value, or
 - continue to pay the premiums.
9. **Retirement Plan Beneficiary Designation:** Berkeley Rep's Managing Director and Development Director are authorized to accept any proceeds Berkeley Rep receives as a designated beneficiary (or alternate beneficiary) of a life insurance policy, a deferred annuity contract, an IRA, a defined benefit (pension) plan, a 401 (k) or 403 (b) account, a defined contribution (profit sharing) plan, or other qualified plan unless the designation imposes restrictions or a trust arrangement, in which case, staff shall refer the matter to the Gift Acceptance Committee for review.
10. **Bequests:** Berkeley Rep's Managing Director and Development Director are authorized to accept bequest gifts made under a donors' will or revocable trust if the underlying assets conform with the guidelines for an outright gift set forth in this Policy. If the assets do not conform, the bequest shall be referred to the Gift Acceptance Committee for review. Berkeley Rep reserves the right to

disclaim gifts from the estates or trusts of deceased donors that are not in conformity with the terms of this Policy. Donors are encouraged to contact Berkeley Rep in advance when considering a bequest in order to ensure that the bequest meets the criteria of this Policy. For sample bequest language, please see Exhibit I. Unless a gift is otherwise restricted by the donor, to the extent permitted under Section V above, all bequests will be allocated to a Board Designated Fund as provided in the Berkeley Repertory Theatre Endowment Fund Permanent Endowment Fund Policy.

11. **Charitable Remainder Trusts:** A charitable remainder trust (CRT) is a separately administered trust established by the donor to provide payments to the donor and/or other named non-charitable beneficiary (ies) either for life or a term of years (not exceeding twenty (20)). At the end of that period, the remaining assets are distributed to one or more charities, and the donor receives an income tax deduction for the present value of the remainder interest passing to the charitable beneficiary (ies). Berkeley Rep may accept designation as a remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee. Berkeley Rep reserves the right to disclaim any interest that would be in violation of this Policy. Berkeley Rep's Board will not accept an appointment as Trustee of a charitable remainder trust.
12. **Charitable Lead Trusts:** A charitable lead trust (CLT) is a trust in which the income, or *lead* interest, is paid to one or more charities, and the *remainder* interest is given to one or more non-charitable beneficiaries, who could be either the donor or someone previously designated by the donor in the trust document. Depending on how the trust is structured, the donor may receive an income tax deduction when the trust is funded for the actuarial value of the annuity stream payable to the charity (ies). Berkeley Rep may accept a designation as income beneficiary of a charitable lead trust with the approval of the Gift Acceptance Committee. Berkeley Rep reserves the right to disclaim any interest that would be in violation of this Policy. Berkeley Rep's Board will not accept an appointment as Trustee of a charitable lead trust.
13. **Charitable Gift Annuities:** A charitable gift annuity (CGA) is a simple contract that can enable a donor who meets certain age requirements and is resident of the State of California to make a significant charitable gift and receive a dependable stream of annual income. In exchange for a contribution of \$25,000 or more in cash or marketable securities to Silicon Valley Community Foundation ("the Foundation" or "SVCF"), the Foundation will make fixed payments for life to one or two beneficiaries of the donor's choice. Donors may qualify for tax benefits, including an immediate tax deduction, and a capital gains tax advantage, if the annuity is funded with long-term appreciated assets. In addition, a portion of the payments the donor receives may be tax-free. Berkeley Repertory Theatre would receive 100% of the residuum of the charitable gift annuity as follows: 60% distributed outright, the remaining 40% will be put into a non-profit endowment fund held at SVCF and administered for the benefit of Berkeley Repertory Theatre. See Charitable Gift Annuities (Exhibit J).

IX. **Miscellaneous Provisions**

- A. **Fees and appraisals:** It will be the responsibility of the donor to secure an appraisal (when required) and independent legal counsel for all gifts made to Berkeley Rep. No finder's fee or commission of any type will be paid by Berkeley Rep to any party in connection with the completion of a gift to Berkeley Rep. To the extent permitted by law, Berkeley Rep reserves the right to levy an administrative fee on all accounts administered by Berkeley Rep. Berkeley Rep's Finance Committee shall establish such administrative fees, if any, commensurate with the cost of administering the account.

- B. Valuation for development purposes: Berkeley Rep will value all gifts in accordance with current IRS requirements and record the gift at its valuation for gift purposes on the date it is received.
- C. Responsibility for IRS filings upon sale of gift items: Berkeley Rep is responsible for filing IRS Form 8282 (Exhibit K) within 125 days of the sale or disposition of any real or personal property sold within three years of receipt where the charitable deduction value of the item is more than \$5,000.
- D. Responsibility of Acknowledgement: Berkeley Rep will acknowledge all gifts in compliance with current IRS requirements with respect to acknowledgement of gifts.
- E. Naming: The naming of Berkeley Rep assets (facilities, programs, staff positions, funds, etc.) is reserved for those who have made extraordinary contributions to the Theatre and is normally in recognition of a significant financial donation to Berkeley Rep. Specific guidelines associated with different naming opportunities are developed and revised by the Board of Trustees upon recommendation by the Gift Acceptance Committee and the Director of Development and/or Managing Director. Naming commitments may be terminated by Berkeley Rep if the donor fails to fulfill the terms of the commitment or commits an act of moral turpitude which brings the donors' name into disrepute or otherwise substantially diminishes the value of the association.

X. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Board of Trustees of Berkeley Repertory Theatre, which must also approve any changes to or deviations from these policies.

Approved on the 12 day of Jan, 2017



President, Board of Trustees, Berkeley Repertory Theatre

A DONOR BILL OF RIGHTS

DEVELOPED BY:



Association of Fundraising Professionals (AFP)



Association for Healthcare Philanthropy (AHP)



Council for Advancement and Support of Education (CASE)



Giving Institute: Leading Consultants to Non-Profits

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III

To have access to the organization's most recent financial statements.

IV

To be assured their gifts will be used for the purposes for which they were given.

V

To receive appropriate acknowledgement and recognition.

VI

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.



CODE OF ETHICAL STANDARDS

ETHICAL STANDARDS (Adopted 1964; amended Oct 2014)

The Association of Fundraising Professionals believes that ethical behavior fosters the development and growth of fundraising professionals and the fundraising profession and enhances philanthropy and volunteerism. AFP Members recognize their responsibility to ethically generate or support ethical generation of philanthropic support. Violation of the standards may subject the member to disciplinary sanctions as provided in the AFP Ethics Enforcement Procedures. AFP members, both individual and business, agree to abide (and ensure, to the best of their ability, that all members of their staff abide) by the AFP standards.

PUBLIC TRUST, TRANSPARENCY & CONFLICTS OF INTEREST

Members shall:

- 1 not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute.
- 2 not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
- 3 effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
- 4 not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
- 5 comply with all applicable local, state, provincial and federal civil and criminal laws.
- 6 recognize their individual boundaries of professional competence.
- 7 present and supply products and/or services honestly and without misrepresentation.
- 8 establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services.
- 9 never knowingly infringe the intellectual property rights of other parties.
- 10 protect the confidentiality of all privileged information relating to the provider/client relationships.
- 11 never disparage competitors untruthfully.

SOLICITATION & STEWARDSHIP OF PHILANTHROPIC FUNDS

Members shall:

- 12 ensure that all solicitation and communication materials are accurate and correctly reflect their organization's mission and use of solicited funds.
- 13 ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.

- 14 ensure that contributions are used in accordance with donors' intentions.
- 15 ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
- 16 obtain explicit consent by donors before altering the conditions of financial transactions.

TREATMENT OF CONFIDENTIAL & PROPRIETARY INFORMATION

Members shall:

- 17 not disclose privileged or confidential information to unauthorized parties.
- 18 adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client.
- 19 give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
- 20 when stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.

COMPENSATION, BONUSES & FINDER'S FEES

Members shall:

- 21 not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees.
- 22 be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
- 23 neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
- 24 not pay finder's fees, commissions or percentage compensation based on contributions.
- 25 meet the legal requirements for the disbursement of funds if they receive funds on behalf of a donor or client.

Exhibit C

Model Standards of Practice for the Charitable Gift Planner

A code of ethical practice for all professionals who work together to structure gifts that balance the interests of the donor and the purposes of the charitable institution.

PREAMBLE

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. FULL DISCLOSURE

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION OF GIFT

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. FULL COMPLIANCE

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.

Exhibit D

BERKELEY REPERTORY THEATRE ENDOWMENT FUND PERMANENT ENDOWMENT FUND POLICY

1. Name. The name of this fund is the BERKELEY REPERTORY THEATRE ENDOWMENT FUND (the “Fund”). The Fund is an Endowment Fund as that term is defined in the Uniform Prudent Management of Institutional Funds Act, as amended from time to time (“UPMIFA”).

2. Management. Assets of the Fund shall be owned and managed by BERKELEY REPERTORY THEATRE (the “Charity”) in accordance with the terms set forth below. The goal of the Fund is to balance the current needs of the Charity and its constituencies with the obligation to preserve and grow the Fund for future generations. The Board of Trustees (the “Board”) may delegate the management of the Fund to an Investment Committee (the “Committee”).

3. Purpose.

(a) The purpose of this Fund is to further the charitable and educational purposes of the Charity by providing general support for its operating and program-related needs, as determined by the Board.

(b) Notwithstanding the above, a donor making a contribution to the Fund of at least \$250,000 may restrict the use of his/her gift to a specific purpose (a “Restricted Purpose”). Any Restricted Purpose must be clearly stated in the donor’s gift instrument, and must be approved by the Board prior to acceptance. If at any time in the judgment of the Board it becomes impossible or impracticable to carry out exactly the Restricted Purpose in the manner requested by the donor, a purpose and manner as near as is practicable to the Restricted Purpose shall be determined by the Board.

(c) With the approval of the Board, a donor making a contribution of at least \$250,000 may establish a separate endowment fund pursuant to a separate endowment agreement (“Donor-Specific Fund”). Such an endowment fund may, with approval of the Board, bear the name of the donor or an individual designated by the donor. Except to the extent otherwise provided in this agreement establishing such fund, a Donor-Specific Fund shall be governed by this policy.

4. Annual Spending from the Fund. The Charity may appropriate for expenditure so much of the Fund as the Board determines is prudent, consistent with the provisions of UPMIFA and the intent that the Fund be an Endowment Fund (the “Annual Spending Amount”), provided that such amount shall not exceed five percent (5.0%) of the average net fair market value of the Fund’s assets for the twelve calendar quarters ending December 31 of the previous year.

5. Board-Designated Funds. In addition to the Fund, the Board may, from time to time, designate certain unrestricted assets of the Charity to be treated as endowed and such funds

Guidelines for Accepting Donor-Advised Fund Contributions

October 1, 2016

Thank you for your generous and continued support of our Bay Area arts and cultural organizations.

Please note that this document is intended as a summary of current guidelines for accepting gifts from donor-advised funds. This document is not intended as legal advice. Donor-advisors should consult their donor-advised fund (“DAF”) manager, tax advisors, and/or legal counsel to determine the tax treatment of their proposed contributions and any other restrictions that apply to DAF grants.

Guidelines for Events, Membership and Pledges – Your Donor Advised Fund

❖ Events

Under federal law governing donor-advised funds, it is not permissible for donors to split, or “bifurcate,” payments for tables or tickets when a portion of the purchase is not tax-deductible. This means that donors may not recommend a grant through a donor-advised fund for the deductible portion of a table or ticket purchase and then pay the non-deductible portion from a personal source.

If a portion of event admission is not tax deductible, your donor-advised fund can support the event in the following ways:

- 1) If you would like to attend an event and make an additional contribution, you may pay the full price of admission (non-deductible and deductible portions) from a personal source outside of your donor-advised fund. Then, you may recommend a grant from your donor-advised fund. Our cultural organizations are pleased to recognize both your personal and donor-advised fund contributions in all event-related materials.
- 2) If you purchase a table or tickets and donate them back to the organization (and not attend the event), you may recommend a grant from your donor-advised fund, noting that the requested table or tickets shall be donated back to the organization.

❖ Memberships

Grants from donor-advised funds to cover annual membership fees are acceptable if:

- 1) The membership benefits are limited to incidental annual benefits, such as free or discounted admission to low-cost events, parking, preferred access, and attendance at certain members-only events.
- 2) The donor waives all of the non-deductible (tangible) benefits if the membership level offers them.

An important note on tangible benefits: Under federal law, if any portion of the membership is not tax-deductible, you may either waive the tangible benefits or use a personal source to pay the entire membership value. Bifurcation is not permissible.

❖ **Pledges**

Although a donor-advised fund may not pledge account assets to Section 501(c)(3) and 501(c)(4) organizations, you may notify the organization verbally or in writing about the intention to make a grant recommendation and include the following recommended language:

“I intend to recommend a grant from a donor-advised fund. This notification shall not be construed as a legally binding commitment.”

For questions related to grants recommended through your donor-advised fund, please consult with your fund advisor or legal counsel for definitive tax treatment.

Thank you again for your continued support of our Bay Area cultural institutions!





Instructions for Making a Gift of Stock

Thank you for making a gift of stock to Berkeley Repertory Theatre.
Stock to be donated should be directed as follows:

Morgan Stanley
1999 Harrison Street, Suite 2200
Oakland, CA 94612
For credit to:
Berkeley Repertory Theatre
Stock Donor Account 030-115348-510
DTC 0015
Attn: Lisa Haner

Please note that Berkeley Rep has an automatic stock sell policy. If, for any reason, this is inconsistent with your intentions, please contact the Development office immediately. In addition, please fill out this form and send it to the Development Department, Berkeley Repertory Theatre, 999 Harrison Street, Berkeley, CA 94710 or fax it to Berkeley Rep's Development office at 510 647-2910. **We need this information in order to correctly credit each donor when shares are transferred electronically. We can not identify the donor from the transfer alone.**

NAME

ADDRESS

CITY/STATE/ZIP

PHONE

_____ shares of _____ stock were transferred
on _____ to Berkeley Repertory Theatre's account at Morgan Stanley.
NUMBER STOCK DESCRIPTION DATE

This transfer is a charitable contribution to Berkeley Repertory Theatre.

SIGNATURE

Please contact Lynn Eve Komaromi in the Development Department of Berkeley Rep at 510 647-2903 or Lisa Haner at Morgan Stanley at 510 891-5223 if you have any further questions.

Thank you for your support of Berkeley Repertory Theatre!

Berkeley Repertory Theatre · Tony Taccone Michael Leibert Artistic Director · Susan Medak Managing Director

Theatre Address 2025 Addison Street, Berkeley, CA 94704 · Mailing Address 999 Harrison Street, Berkeley, CA 94710-1455 · Administration 510 647-2900 · Fax 510 647-2910
Box Office 510 647-2949 · berkeleyrep.org · 1997 Tony Award winner for outstanding regional theatre · A nonprofit corporation since 1968 · Tax ID# 94-1679756



In-Kind Contribution Form

Thank you for making an in-kind contribution to Berkeley Repertory Theatre.

1 _____
NAME EMAIL

COMPANY NAME (IF APPLICABLE)

ADDRESS APT CITY/STATE/ZIP

DAY PHONE EVENING PHONE FAX

2 Item(s) Donated	Estimated Value

TOTAL Estimated Value _____

- 3** Please check the following where appropriate:
- The contribution is for a specific show/purpose.
Show/purpose: _____
 - The contribution is from a private individual.
 - The contribution is from a business.
The contribution is stock in trade Yes No
 If Yes, please skip to section 5.

4 Is this contribution valued at over \$5,000? Yes No

For the purposes of itemized tax deductions, the value of in-kind contributions must be determined by the donor. For contributions valued at \$5,000 or more, the IRS will require an independent appraisal of the item(s) donated. Such an appraisal must be made prior to Berkeley Rep's receipt of contributed items and a copy of the appraisal should be submitted to Berkeley Rep along with the donated items.

- 5** I/we would like to be listed in the program as: _____
 I/we would like this gift to remain **anonymous**

6 _____
DONOR SIGNATURE DATE

RECEIVED BY (NAME OF STAFF MEMBER) DATE

Please complete this form and return to: Development Department
 Berkeley Repertory Theatre
 999 Harrison St · Berkeley, CA 94710
 Attn: Maddie Gaw
 Or by fax at 510 647-2910

Questions? Please contact Maddie Gaw at 510 647-2902 or give@berkeleyrep.org

Berkeley Repertory Theatre · Tony Taccone Michael Leibert Artistic Director · **Susan Medak** Managing Director
 2025 Addison Street, Berkeley, CA 94704 · **Administration** 510 647-2900 · **Fax** 510 647-2976 · **Box Office** 510 647-2949
 berkeleyrep.org · 1997 Tony Award winner for outstanding regional theatre · A nonprofit corporation since 1968 · Tax ID# 94-1679756

Exhibit H

Form **8283**
 (Rev. December 2014)
 Department of the Treasury
 Internal Revenue Service
 Name(s) shown on your income tax return

Noncash Charitable Contributions

▶ **Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.**

▶ **Information about Form 8283 and its separate instructions is at www.irs.gov/form8283.**

OMB No. 1545-0908

Attachment Sequence No. **155**

Identifying number

Note. Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A. Donated Property of \$5,000 or Less and Publicly Traded Securities—List in this section **only** items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also list publicly traded securities even if the deduction is more than \$5,000 (see instructions).

Part I Information on Donated Property—If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) If donated property is a vehicle (see instructions), check the box. Also enter the vehicle identification number (unless Form 1098-C is attached).	(c) Description of donated property (For a vehicle, enter the year, make, model, and mileage. For securities, enter the company name and the number of shares.)
A		<input type="checkbox"/>	
B		<input type="checkbox"/>	
C		<input type="checkbox"/>	
D		<input type="checkbox"/>	
E		<input type="checkbox"/>	

Note. If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (e), (f), and (g).

	(d) Date of the contribution	(e) Date acquired by donor (mo., yr.)	(f) How acquired by donor	(g) Donor's cost or adjusted basis	(h) Fair market value (see instructions)	(i) Method used to determine the fair market value
A						
B						
C						
D						
E						

Part II Partial Interests and Restricted Use Property—Complete lines 2a through 2e if you gave less than an entire interest in a property listed in Part I. Complete lines 3a through 3c if conditions were placed on a contribution listed in Part I; also attach the required statement (see instructions).

2a Enter the letter from Part I that identifies the property for which you gave less than an entire interest ▶ _____
 If Part II applies to more than one property, attach a separate statement.

b Total amount claimed as a deduction for the property listed in Part I: **(1)** For this tax year ▶ _____
(2) For any prior tax years ▶ _____

c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):

Name of charitable organization (donee) _____

Address (number, street, and room or suite no.) _____

City or town, state, and ZIP code _____

d For tangible property, enter the place where the property is located or kept ▶ _____

e Name of any person, other than the donee organization, having actual possession of the property ▶ _____

	Yes	No
3a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?		
b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?		
c Is there a restriction limiting the donated property for a particular use?		

Name(s) shown on your income tax return

Identifying number

Section B. Donated Property Over \$5,000 (Except Publicly Traded Securities) - Complete this section for one item (or one group of similar items) for which you claimed a deduction of more than \$5,000 per item or group (except contributions of publicly traded securities reported in Section A). Provide a separate form for each property donated unless it is part of a group of similar items. An appraisal is generally required for property listed in Section B. See instructions.

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

4 Check the box that describes the type of property donated:

- a Art* (contribution of \$20,000 or more)
b Qualified Conservation Contribution
c Equipment
d Art* (contribution of less than \$20,000)
e Other Real Estate
f Securities
g Collectibles**
h Intellectual Property
i Vehicles
j Other

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

**Collectibles include coins, stamps, books, gems, jewelry, sports memorabilia, dolls, etc., but not art as defined above.

Note. In certain cases, you must attach a qualified appraisal of the property. See instructions.

Table with 5 main columns: (a) Description of donated property, (b) Summary of physical condition, (c) Appraised fair market value, (d) Date acquired, (e) How acquired, (f) Donor's cost, (g) Bargain sales amount, (h) Amount claimed as deduction, (i) Date of contribution.

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. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I 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. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this Form 8283 may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). In addition, I understand that I may be subject to a penalty under section 6695A if I know, or reasonably should know, that my appraisal is to be used in connection with a return or claim for refund and a substantial or gross valuation misstatement results from my appraisal. I affirm that I have not been barred from presenting evidence or testimony by the Office of Professional Responsibility.

Sign

Here

Signature

Title

Date

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 the following 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 3 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. This acknowledgment does not represent agreement with the claimed fair market value.

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



FORMS OF BEQUEST*

Some of the most popular forms bequests can take are:

- **A fixed amount of money or a designated property:**

"I give, devise and bequeath to Berkeley Repertory Theatre, Tax ID No. 941679756, located in Berkeley, California,

Choose one:

1. the sum of \$_____."
2. _____ shares of stock in _____ company."
3. _____ % of my real property, commonly known as _____, located in _____."

- **A percentage of the estate:**

"I give, devise and bequeath to Berkeley Repertory Theatre, Tax ID No. 941679756, located in Berkeley, California, _____ % of my estate."

- **A residual bequest:**

"I give, devise and bequeath to Berkeley Repertory Theatre, Tax ID No. 941679756, located in Berkeley, California, _____ % of the rest, residue and remainder of my estate, including real and personal property."

- **A dual-purpose bequest:** With a special gift to Berkeley Rep, you can provide income for life or for a specified period of years for a relative or friend. By establishing a charitable trust through your will, you receive an estate tax deduction and bypass capital gains on appreciated assets. For more information, contact Daria Hepps in the Development Department at 510 647-2904 or dhepps@berkeleyrep.org.

**** Please note that bequests are subject to state law requirements. The advice of legal counsel should always be obtained before using any particular form of bequest.***

Charitable Gift Annuities

Payments for Life



Berkeley Repertory Theater and Silicon Valley Community Foundation are excited to offer donors a new way to receive a fixed, dependable income for life while supporting the causes they care most about. By setting up a charitable gift annuity with SVCF, you or your loved one can receive a lifetime income and make a gift to benefit your community.

A charitable gift annuity is a simple contract between you and SVCF. In exchange for your contribution of \$25,000 or more, SVCF agrees to make fixed payments for life to one or two beneficiaries. The amount paid is based on the age of the beneficiary or beneficiaries and the amount of the contribution. After the beneficiary or beneficiaries pass away, the remaining value of the annuity passes to charity.

Why are gift annuities appealing?

- Your payments are fixed and are not affected by market turbulence
- Your payments are secure and backed by SVCF's assets
- Payments may be directed to you or a loved one, such as a parent, sibling or child
- You may qualify for a tax-deductible donation for a portion of the contribution
- The annuity may help to supplement your cash flow
- A portion of the payments you receive from the annuity may be tax-free
- You may receive a capital gains tax advantage if the annuity is funded with long-term appreciated assets
- The remainder will be used for the long-term benefit of our community

You can contribute cash or publicly traded securities to fund the gift annuity. If you have owned the securities for more than one year and they have appreciated in value, you may not be taxed on the gain when you transfer the securities if you are the payment beneficiary. In addition, if you are the beneficiary of an annuity funded with long-term appreciated assets, a portion of the payments you receive will be taxed partly as capital gains and partly as ordinary income, with an additional portion possibly treated as tax-free return of capital. If you contribute cash, a portion of your payments will be tax-free with the other portion treated as ordinary income.

Generally, the charitable deduction that you receive when setting up a gift annuity is approximately equal to the present value of the annuity's projected remainder. The tax-deductible amount also depends on the age of the beneficiary or beneficiaries and the amount of the contribution.

Younger donors may want to consider a deferred gift annuity. By establishing a deferred charitable gift annuity, you can make a charitable contribution now but postpone receiving payments until you are 60 or older. If you are still working and do not need income now, a deferred annuity may help you supplement the payments that you receive from your qualified retirement plan and/or Social Security during your retirement.

To learn more, contact Daria Hepps, dhepps@berkeleyrep.org or 510 647-2904. Alternatively, you may contact SVCF, 650.450.5444 or donate@siliconvalleycf.org.

Exhibit K

Form **8282**
 (Rev. April 2009)
 Department of the Treasury
 Internal Revenue Service

Donee Information Return
 (Sale, Exchange, or Other Disposition of Donated Property)

OMB No. 1545-0908

▶ See instructions.

Give a Copy to Donor

Parts To Complete

- If the organization is an **original donee**, complete *Identifying Information*, Part I (lines 1a–1d and, if applicable, lines 2a–2d), and Part III.
- If the organization is a **successor donee**, complete *Identifying Information*, Part I, Part II, and Part III.

Identifying Information

Print
or
Type

Name of charitable organization (donee)	Employer identification number
Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
City or town, state, and ZIP code	

Part I Information on ORIGINAL DONOR and SUCCESSOR DONEE Receiving the Property

1a Name of original donor of the property	1b Identifying number(s)
1c Address (number, street, and room or suite no.) (P.O. box no. if mail is not delivered to the street address)	
1d City or town, state, and ZIP code	

Note. Complete lines 2a–2d only if the organization gave this property to another charitable organization (successor donee).

2a Name of charitable organization	2b Employer identification number
2c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
2d City or town, state, and ZIP code	

Part II Information on PREVIOUS DONEES. Complete this part only if the organization was not the first donee to receive the property. See the instructions before completing lines 3a through 4d.

3a Name of original donee	3b Employer identification number
3c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
3d City or town, state, and ZIP code	
4a Name of preceding donee	4b Employer identification number
4c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
4d City or town, state, and ZIP code	

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Donee organizations use Form 8282 to report information to the IRS and donors about dispositions of certain charitable deduction property made within 3 years after the donor contributed the property.

Definitions



For Form 8282 and these instructions, the term "donee" includes all donees, unless specific reference is made to "original" or "successor" donees.

Original donee. The first donee to or for which the donor gave the property. The original donee is required to sign Form 8283, Noncash Charitable Contributions, Section B. Donated Property Over \$5,000 (Except Certain Publicly Traded Securities), presented by the donor for charitable deduction property.

Successor donee. Any donee of property other than the original donee.

Charitable deduction property. Any donated property (other than money and publicly traded securities) if the claimed value exceeds \$5,000 per item or group of similar items donated by the donor to one or more donee organizations. This is the property listed in Section B on Form 8283.

Who Must File

Original and successor donee organizations must file Form 8282 if they sell, exchange, consume, or otherwise dispose of (with or without consideration) charitable deduction property (or any portion) within 3 years after the date the original donee received the property. See *Charitable deduction property* above.

If the organization sold, exchanged, or otherwise disposed of motor vehicles, airplanes, or boats, see Pub. 526, Charitable Contributions.

Exceptions. There are two situations where Form 8282 does not have to be filed.

1. Items valued at \$500 or less. The organization does not have to file Form 8282 if, at the time the original donee signed Section B of Form 8283, the donor had signed a statement on Form 8283 that the appraised value of the specific item was not more than \$500. If Form 8283 contains more than one item, this exception applies only to those items that are clearly identified as having a value of \$500 or less. However, for purposes of the donor's determination of whether the appraised value of the item exceeds \$500, all shares of nonpublicly traded stock, or items that form a set, are considered one item. For example, a collection of books written by the same

author, components of a stereo system, or six place settings of a pattern of silverware are considered one item.

2. Items consumed or distributed for charitable purpose. The organization does not have to file Form 8282 if an item is consumed or distributed, without consideration, in fulfilling your purpose or function as a tax-exempt organization. For example, no reporting is required for medical supplies consumed or distributed by a tax-exempt relief organization in aiding disaster victims.

When To File

If the organization disposes of charitable deduction property within 3 years of the date the original donee received it and the organization does not meet exception 1 or 2 above, the organization must file Form 8282 within 125 days after the date of disposition.

Exception. If the organization did not file because it had no reason to believe the substantiation requirements applied to the donor, but the organization later becomes aware that the substantiation requirements did apply, the organization must file Form 8282 within 60 days after the date it becomes aware it was liable. For example, this exception would apply where Section B of Form 8283 is furnished to a successor donee after the date that donee disposes of the charitable deduction property.

Missing information. If Form 8282 is filed by the due date, enter the organization's name, address, and employer identification number (EIN) and complete at least Part III, columns 1, 2, 3, and 4; and Part IV. The organization does not have to complete the remaining items if the information is not available. For example, the organization may not have the information necessary to complete all entries if the donor did not make Section B of Form 8283 available.

Where To File

Send Form 8282 to the Department of Treasury, Internal Revenue Service Center, Ogden, UT 84201-0027.

Other Requirements

Information the organization must give a successor donee. If the property is transferred to another charitable organization within the 3-year period discussed earlier, the organization must give the successor donee all of the following information.

1. The name, address, and EIN of the organization.
2. A copy of Section B of Form 8283 that the organization received from the donor or a preceding donee. The preceding donee is the one who gave the organization the property.
3. A copy of this Form 8282, within 15 days after the organization files it.

The organization must furnish items 1 and 2 above within 15 days after the latest of the date:

- The organization transferred the property,
- The original donee signed Section B of Form 8283, or
- The organization received a copy of Section B of Form 8283 from the preceding donee if the organization is also a successor donee.

Information the successor donee must give the organization. The successor donee organization to whom the organization transferred this property is required to give the organization its name, address, and EIN within 15 days after the later of:

- The date the organization transferred the property, or
- The date the successor donee received a copy of Section B of Form 8283.

Information the organization must give the donor. The organization must give a copy of Form 8282 to the original donor of the property.

Recordkeeping. The organization must keep a copy of Section B of Form 8283 in its records.

Penalties

Failure to file penalty. The organization may be subject to a penalty if it fails to file this form by the due date, fails to include all of the information required to be shown on the filed form, or includes incorrect information on the filed form. The penalty is generally \$50 per form. For more details, see section 6721 and 6724.

Fraudulent identification of exempt use property. A \$10,000 penalty may apply to any person who identifies in Part III tangible personal property the organization sold, exchanged, or otherwise disposed of, as having a use that is related to a purpose or function knowing that such property was not intended for such a use. For more details, see section 6720B.

Specific Instructions

Part I

Line 1a. Enter the name of the original donor.

Line 1b. The donor's identifying number may be either an employer identification number or a social security number, and should be the same number provided on page 2 of Form 8283.

Line 1c and 1d. Enter the last known address of the original donor.

Lines 2a-2d. Complete these lines if the organization gave the property to another charitable organization successor donee (defined earlier). If the organization is an original donee, skip Part II and go to Part III.