



FEIN: 31-0999051

GIFT ACCEPTANCE POLICY

U.S. Masters Swimming, Inc. (USMS), a not for profit organization organized under the laws of the State of Ohio, encourages the solicitation and acceptance of gifts to the USMS, Swimming Saves Lives Foundation (hereinafter referred to as the Foundation) for purposes that will help the Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation or for the benefit of any of its programs. This policy does not apply to the general operations of USMS nor any of its subordinate organizations (LMSCs).

USMS Swimming Saves Lives Foundation:

The USMS Swimming Saves Lives Foundation focuses its resources on the vital lifesaving and lifetime benefits of swimming. In addition to drowning prevention, swimming has a positive impact on health conditions like obesity, cardiovascular disease and diabetes, which afflict millions of people in the U.S. The Swimming Saves Lives Foundation provides grants to programs that support the lifelong benefits of swimming. In short, Swimming Saves Lives.

Purpose of Policies and Guidelines

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

Foundation Information

USMS Swimming Saves Lives Foundation
1751 Mound Street, Suite 201
Sarasota, Florida 34236
EIN: 31-0999051
<http://www.usms.org/giving/>



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Conflict of Interest

USMS urges 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. The Foundation 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.

Restrictions on Gifts

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes and priorities. The Foundation will not accept gifts that are too restrictive in purpose where the intent of the donor is to exert unacceptable conditions or controls over gift disbursements, gifts that are too difficult to administer or gifts that are for purposes outside the mission of the Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee.

Endowed / Named Gifts

The Foundation will accept permanently endowed / named gifts and funds in perpetuity in accordance with the stated gift acceptance policy, approval of the Gift Acceptance Committee and provided the fund is opened with a minimum of a \$100,000 contribution.

The Gift Acceptance Committee

The gift acceptance committee shall consist of:

1. The Chair of the Swimming Saves Lives Committee.
2. The Treasurer of USMS
3. The Chair of the USMS Finance Committee
4. The Chair of the USMS Investment Committee
5. One non-USMS Board member recommended by the Swimming Saves Lives Committee and approved by the USMS Board of Directors
6. Ex-Officio members shall include the USMS Executive Director and Controller

The Gift Acceptance Committee is charged with the responsibility of reviewing all gifts made to the Foundation, properly screening and accepting those gifts, and making recommendations to the Swimming Saves Lives Committee on gift acceptance issues when appropriate.

Use of Legal Counsel

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

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Documents naming USMS as Trustee
- c. Transactions with potential conflicts of interest that may invoke IRS sanctions
- d. Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee



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Gift Acceptance Criteria

The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash is acceptable in any form. Checks shall be made payable to USMS, Swimming Saves Lives Foundation and shall be delivered to the Foundation's administrative offices. USMS 1751 Mound Street, Suite 201, Sarasota, Florida 34236. Contributions via credit card (Visa and Master Card) are also acceptable.
2. **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:
 - a. Does the property fulfill the mission of the Foundation?
 - b. Is the property marketable?
 - c. Are there any undue restrictions on the use, display, or sale of the property?
 - d. Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Gift Acceptance Committee.

2. **Securities:** The Foundation can accept both publicly traded securities and closely held securities.
 - a. **Publicly Traded Securities:** Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Investment 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. Every effort will be made to sell non-marketable securities as quickly as possible.

If potential problems arise on the initial review of the security, further review and recommendation by an outside professional may be sought before a final decision on acceptance of the gift is made. It is generally the goal of the Foundation to sell non-marketable securities within a reasonable timeframe unless the income that is generated is sufficient to justify holding them (See Appendix B, Gift Acceptance Checklist).

Options and Other Rights in Securities: The Foundation may receive warrants, stock options and stock appreciation rights only upon review and acceptance of the Gift Acceptance Committee. In considering acceptance, the committee must consider the following:



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1. Is the Foundation required to advance funds upon exercise of the gift? If so, does the Foundation have the required funds?
2. Is the Foundation at risk of loss of funds in accepting the gift?
3. Are the rights restricted? If so, does the restriction affect the ability of the Foundation to dispose of the assets? Does the restriction materially impact the value of the gift to the Foundation?

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, can be accepted subject to the approval of the Gift Acceptance Committee. Interest(s) in any closely held entity requires legal documentation (such a Partnership and/Operating Agreements) setting forth the rights and legal obligations of the owner. The Foundation will not accept general partnership interests because of potential liability. However, gifts will be reviewed prior to acceptance using the following checklist and the criteria identified on Appendix B:

1. What type of entity is represented by the gift? (For example, C Corporation, S Corporation, LLC, LLP)
2. Will the security generate unrelated business taxable income to the Foundation? If so, does the Foundation have the funds to pay this tax?
3. Will acceptance of the gift and/or exercise of the option trigger any tax consequences to the donor?
4. Are there restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash? Does the restriction materially impact the value of the gift to the Foundation?
5. Describe the operation of the company. Does it create a legal or public relations liability for the Foundation?
6. Is the security marketable? If so, describe the market for sale and estimated time required for sale.

Closely held C Corporation stock is generally acceptable on condition that the Foundation assumes no liability by accepting it, the corporations' buyback policies are acceptable, there is an expectation to liquidate the stock in a reasonable timeframe and that no monies will be dispersed from a fund until such time as the stock is liquidated. The initial acceptance of a closely held stock requires Gift Acceptance Committee approval. After a closely held stock has been "approved" for acceptance, future gifts of that same closely held stock are deemed to be acceptable so long as the conditions under which future gifts are made do not vary in substance.



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4. **Oil, Gas and Mineral Interests:** The Foundation may accept oil, gas and mineral interests when appropriate. Prior to acceptance of such interests, the gift shall be approved by the Gift Acceptance Committee. Criteria for acceptance shall include:
 - a. Gifts of surface rights should have a value of \$20,000 or greater
 - b. Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income as determined by the average of the three years prior to the gift.
 - c. The property should not have extended liabilities or other considerations that make the receipt of the gift inappropriate.
 - d. 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.
 - e. The property should undergo an environmental review to ensure that there is no current or potential exposure to environmental liability.

5. **Life Insurance:** The Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor doesn't elect to continue to make gifts to cover the premium payments on the life insurance policy, the Foundation may:
 - a. continue to pay the premiums
 - b. convert the policy to paid up insurance
 - c. surrender the policy for its current cash value.

6. **Charitable Gift Annuities:** The Foundation may offer charitable gift annuities. The minimum gift for funding is \$50,000. The Gift Acceptance Committee may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 65. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 55. No more than two life income beneficiaries will be permitted for any gift annuity. Gift annuity rates will be based on the current gift annuity rates in force as adopted by the American Council on Gift Annuities.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The Gift Acceptance Committee may approve exceptions to this payment schedule. The Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Foundation may accept tangible personal property or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Gift Acceptance Committee approves the



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arrangement. Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Foundation.

7. **Charitable Remainder Trusts:** The Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee of the Foundation. The Foundation will not accept appointment as Trustee of a charitable remainder trust.
8. **Charitable Lead Trusts:** The Foundation may accept a designation as income beneficiary of a charitable lead trust. The Foundation will not accept an appointment as Trustee of a charitable lead trust.
9. **Retirement Plan Beneficiary Designations:** Donors and supporters of the Foundation are encouraged to name the USMS, Swimming Saves Lives Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts 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.
10. **Bequests:** Donors and supporters will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. Suggested bequest language is as follows:

*"I give, divide, and bequeath to the USMS Swimming Saves Lives Foundation, having its principal administrative offices at 1751 Mound St., Suite 201, Sarasota, Florida 34236 the sum of.... dollars and/or the following described property
to be used for (1) its general purposes, or (2) a specific program or purpose, agreed to in advance by the USMS Gift Acceptance Committee."*
11. **Life Insurance Beneficiary Designations:** Donors and supporters will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.



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Miscellaneous Provisions

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

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

Responsibility for IRS Filings upon sale of gift items: The Gift Acceptance Committee of the Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of the Foundation. IRS Publication 561 ***Determining the Value of Donated Property*** and IRS Publication 526 ***Charitable Contributions*** are attached to these policies as an Appendix.

Confidentially of Gift

All information concerning donors and prospective donors shall be held in strict confidence by the Foundation, subject to legally authorized and enforceable requests for information by government agencies and courts. The Foundation will not disclose the amount of any gift through any publication or other public document without permission of the donor.

Changes to Gift Acceptance Policies

Changes to the Swimming Saves Lives Foundation Gift Acceptance Policy must be approved by the Board of Directors of USMS.

Approved on the 29 day of January, 2012

USMS Board of Directors